App. F. IX-4

Previous References

1936-37
(Seri)

File No. 86-36

Serial Nos. 1-5, 5A, 7

Letter References

Seri. 125-37 (1-2).
" " " (3-6)
Seri. 38-40 sh (1-2)
Seri 75-40 " 1-3.
" 59-40-(1-4)

GENERAL AND REVENUE SECRETARIAT.

~~Ag. 112-44-1-2~~
~~Dis 101-44~~

Serial Nos.

Part B for Jany 38

SUBJECT.

Concessions to be Granted for the promotion of a Joint stock Company for establishing filatures in state

W 4738 of 7.1.38

re — Considering ing.

WD 0295—GPB—22,500—18-8-37

papers given re the formation of a Joint stock Company for establishing — Silk filatures in the State.

General and Revenue Secretariat | File No. Gen' 86 of 1934. | [App. F. III—2

Serial No.	
1	Letter dt 31.3.37 from Lrd Sri Rama Rik Throwing Factory applying for certain Concession as Sterling registering as a Joint Stock Concern.

Subd for perusal in the first instance.
A similar representation has been received from Lrd Sri Rama Rik Throwing Factory also

Dewey
8.4.37

Second m'r) WD
9/4/37

7.4.37

O 5433.

1

NOTE—Contn. Sheet.

WD 0417—GPB—30,000—8-9-36

Serial No.

2 The Dewan may send for Mr Silva and ascertain who all are interested in promoting the concern. What are the terms of the proposed managing agency? Have Mr D Silva and Mr Narayanarao Nair any idea of working together or do they want to set up rival shops?

Sd
11/4/37

3 [Mr Silva saw me today & said he would bring the estimates on the 20th at 3.30 P.M. when the Q^n could be further discussed.

He said that he had spoken on the subject to M^r K.R. Srinivasa Iyengar & that among others, Messrs Sajjanarao, Subrama Shetty & Basavanna Doraiswamy were interested in the scheme being formulated by him. His idea was to convert his sole proprietary Concern into a firm - M/s F.D. Silva & Sons -, the latter to act as Managing Agents for the Joint Stock Co which was to be floated with a share capital of 5.5 lakhs. His present filature at Bellur would be shifted to the Goribidanur Area, where it would form the nucleus of the proposed

13/4
14.4.37

Serial No.

Palatine.

5 Mr. Silva said that as managing agents his firm would not claim any commission if the dividends fell below 6 p.c. but that comm. would be claimed at 10 p.c. of the net profit if it was 6 p.c. & above. He expected that the firm would get an Office allce of Rs 350/- p.m. per Palatine for attending to the Secretarial portion of the work.

6 He said that his attempts to induce Mr Narayana Rao Naik to combine with him have so far been fruitless.]

WD
14/4/37

7 For perusal. Mr Silva has promised (Second Mr) to meet me again on the 20th with detailed estimates

WD
15/4/37

8 Noted

16/4/37

WD
16/4

9 (Mr Silva did not meet me on the 20th as promised.)

WD
7/5

RECEIVED 15 OCT 1937 NO. 7387

WD. 01955—GPB—22,500—12-6-34

REPLY

(*To be written on this margin*

OFFICE OF THE
SECOND MEMBER OF COUNCIL

4

NOTE

Dated 14/4/1937.

OFFICE OF THE
SECOND MEMBER OF COUNCIL.
R. 1937
NO. M 914

Proposed silk filature

10 I should like to refer to Mr K. N. Srinivasa Iyengar's for [illegible] the schemes sub by Mr Silva and Mr Narayanaswami Naik. I understand that these schemes were canvassed by the Mysore Silk Assn of which Mr Srinivasa Iyengar is president. A draft letter (to issue over my signature) may be kindly put up

Dear Secy

14/4/37

With compliments

14/4/37

Dft in connd

Draft approved & sent (by Secd Min) 15/4/37

Signed by Member. Copies of letter rec'd from Mr Silva & Mr Naik shd be sent to the Assn by the Office.

Subd.
CLO 15/4

Serial No.

2

13 In the note on the reorganisation of the silk industry in the State and the assistance to be rendered to that industry, the Mysore Silk Association recognised the importance of establishing filatures at least in the most important serciultural tracts in Mysore. The Silk Association observed that the phenomenal development of the silk industry in Japan and even in China was due to the introduction of better methods of reeling silk in up-to-date modern filatures. They recommended that the department should give necessary stimulus by starting filatures in centres like Chennapatna, Siddlaghatta and T.Narsipur with the suggestion that the filatures might be started as joint-stock companies. At that time the Association estimated the capital required for the purpose (including the working capital) at about 5 lakhs of rupees for all the three filatures.

14 This was in 1934. Since then the industry has passed through a series of vicissitudes and latterly there has been an improvement in the price of cocoons. Messrs Narayan Rao Naik and F. L. Silva have both of them come forward with certain proposals for establishing filatures in the three sericultural areas of the State. The letters containing their proposals are placed below. (Flag T-J). The present seems to be the most opportune time for starting the filatures for reeling high grade silk. The establishment

T-J

WD 0417—GPB—80,000—8-9-36

Serial No.

of the Mysore Spun Silk Mills has given an added impetus to the sericultural industry and assured the sericulturists of the Chennapatna area, particularly, of remunerative prices for their silkwaste.

15 So far as the estimated costs are concerned, it would appear that the estimates ~~not~~ furnished by the Silk Association in 1934 was not adequate for the purpose. Remarks of Rajasabhabhushana Dewan Bahadur Mr.K.R. Srinivasa Iyengar, President of the Mysore Silk Association on the proposals of these two gentlemen are contained in ~~the~~ his confidential D.O. letter dated the 26th April 1937 in the file. Prima facie, the proposal of Mr. Silva that he may be permitted to constitute his present concern into a private partnership firm ~~and to~~ which might take over the Managing Agency of the Joint-Stock Companies (to be floated for the purpose of establishing the filature) seems to be open to serious objection, as it does not appear to be desirable to entrust the Managing Agency to private individuals in a concern to which they have contributed a substantial amount of capital. Besides Mr. Silva wants that the Government should subscribe 10 per cent of the share capital and that they should have nothing to do with the management of the concern. On a balance of considerations, the proposal of Mr. Narayana Rao Naik who is already well connected

2

Serial No.

with the sericultural ~~industry~~ interest and who is confident of raising the necessary capital without any assistance from Government deserves serious consideration. The concessions that he asks of Government are detailed in page 3 of his letter of the 31st March 1937.

1 b As regards these concessions the following suggestions are for consideration:-

(1) The question of giving Government lands, about 400 acres free for planting mulberry gardens and trees etc., may be considered after Mr.Narayana Rao Naik gives details of the lands required and the approximate value of such lands as ascertained. In case they are lands in private holding ~~obviously~~ they will have to be acquired at the cost of the company. Such lands as are in the holding of Government may however be given to the company free of cost if such a concession is considered necessary.

(2) An aided grainage may be sanctioned under existing rules as requested.

(3) There will be no objection to lend services of the technical staff of the department for the grainage as also for the filature. But if they want the wholetime services of any officer or establishment then the cost for such establishment should be met by the company.

NOTE—Contn. Sheet.

WD 0417—GPB—30,000—8-9-36

Establishment of silk filatures in the State

B

File No. of 193 . General and Revenue Secretariat

Serial No.

(4) Water and electric power may be supplied at rates as are usually sanctioned in the case of all the large industrial undertakings.

(5) The question of handing over the Mysore Filature to the company need not be considered at present. It is also unnecessary to give any sort of assurance and much less a guarantee to hand over the Filature to the company at a later date. Similarly as regards the supplying requirements of silk to the Government Silk Weaving Factory, it is unnecessary to say at present that their requirements will be met from the filatures of the company.

(6) The Government may also give an undertaking that they will not give concessions similar to the ~~above~~ concessions ~~already given~~ to other companies for 10 years as requested.

Second Member)

13/5/37

13-5-37

17. This may be unofficially discussed at the next meeting of the Secretariat Board

14/5/37

14.5.37

14.5.37

18

19.5.37

5484 a

General and Revenue Secretariat — Seri' File No. 86. of 1936-7 — [App. F. III—2

Serial No.	
	19 Issued by P.S.O. 7
2	D.Y.M.S. dt. 20-5-37 Dir Vc forwards letter dt. 21-3-37 & 6-4-37 regd. and states that the subject may be brought up for discussion informally at the next meeting of Bd. Seri Cultural
3	Letter no. D4-292-36 dt. 15-9-1937 from Dir. Dk. communicating the views of the Board of Seri. re Starting of private filatures in Mysore and submitting his recommendations in the matter.
	20 Subd for perusal; the Director recommends the grant of the following concessions & remarks for the starting of a filature of 200 basins. among others.
	(i) Free grant of 10 acres of land in T. Narsipur for locating the filature
	(ii) Permission to utilise river water for the filature.
	(iii) Concession rates for supply of power
	(iv) Transfer of filature machinery to the proposed Co.

NOTE—Contn. Sheet.

WD 0417—GPB—30,000—8-9-36

10

1534.

File No. Secy SD of 1937. | General and Revenue Secretariat

Serial No.

(iv) Free grant of about 600 acres of unoccupied land for growing mulberry plantations.

(vi) making available the services of 2 departmental officers for work at the filatures, and bearing all the expenses

(viii) Grant to purchase shares of the Value of Rs. 10,000/-

Subject for orders with a draft G.O.

H.E.'s Concurrence is necessary.

Sd/- 17.9.37

Sd/- 17.9.37

21 Mr Narayana Rao Naidu met and discussed the question with me. He has left with me a copy the prospectus and the agreement with the Managing Agents. There seem to be some legal difficulty in organising agreement with Mr Rama Rao as he is now the chairman. I believe the idea is to give him Rs 200 a month as consultant.

22 Govt do not usually take shares in a concern which has managing agents but in view of the help necessary to the Sericultural industry, an exception may be made in this case. The amount is also very comparatively

Serial No.

Small being 15000 Rs the cost of going will be 10.000 Rs or less.

23 In view the fact that land is not very costly and the Collector may also have a Nilleberg garden etc. Govt may if so advise give the full 20 acres the position is not.

24 A complete ginning plant etc will cost about Rs. 100 to 150000 so Govt may not be able to establish Industries for one or three years.

25 The usual condition about Govt Directors the right to inspect accounts have been added.

26 Revised Draft G.O. for approval.

Sd/- M. Venkatesa Iyer
Asst Sec.

MV. 25-9-37.

25.9.37

27 My views on the several concessions referred to in the draft order are noted below:-

(1) It is desirable to avoid taking up shares in Joint stock concerns as far as possible, particularly in concerns which will ~~have~~ are run by Managing Agents. In the case of Stoneware pipes and Mysore Lamp Works, Government did not take up any shares and the grant of other concessions was considered sufficient. I

FINANCE SECRETARIAT
U.O.No.Fl. 938
27 SEP 1937
BANGALORE

NOTE—Contn. Sheet.

WD 0284—GPB—30,000—13-8-37

would state that Government need not take up any shares in this Concern.

(2) Instead of waiving the recovery of the entire Revenue fine, a portion of it, say, half, may be waived.

(3) The P.W.D. may be consulted in the first instance on the proposal to supply water from the Cauvery free of cost.

(4) I do not think that Government can commit itself to convey power to T. Narsipur even if it is found to be remunerative. This para may perhaps be modified as follows:-

"Electric power will be supplied at the concessional rates applicable to large industrial concerns, when power is carried to T.Narsipur".

(5) It is very doubtful whether the transfer of only the Government Filature to the company is desirable. It may not be wise to depend entirely upon the company for the requirements of silk for the Government factory. Govemment should also have full liberty to purchase silk elsewhere if sufficient quantity of silk cannot be made available by the company.

(6) The Revenue department has to be consulted as to whether it is possible to give free of cost the 40 acres of unoccupied land.

The grant of lands etc. free of cost or at concessional

Serial No.

OFFICE OF THE SECOND MEMBER OF COUNCIL. OCT. 1937 NO. 2657

rates should be subject to the conditions (1) that the Company will be formed and commence working within a specified period and (2) that they are liable to be forfeited by Government if they are not used for purposes for which they are given. But it is best to avoid such a grant altogether and levy full price.

(7) It is not clear why the tests of silk and issue of certificates should be arranged for without any fees. This may become an inconvenient precedent and similar concerns may also claim the same privilege.

It is stated in the order that Government will not also encourage the establishment of rival factories in the area. I do not know whether Government can prevent private companies or concerns being formed at the place without any Government aid. It may be perhaps better to say in this sentence "encourage by the grant of special assistance" instead of saying merely "encourage".

(8) The terms of remuneration for the managing agents for managing this company with a share capital of Rs 4 lakhs appear to be too liberal and susceptible of curtailment. This is a matter between the promoters and the Company.

2/10

2.10

2.8 It is a pity that private interests should figure

NOTE—Contn. Sheet.

WD 0284—GPB—30,000—13-8-37

so largely in this enterprise. Messrs. Narayana Rao Naick and Co. want to be Managing Agents for 20 years with the right to nominate two Directors. They are to receive a fixed remuneration of Rs.500 per month and to get in addition, 10 to 12½ per cent of the net profits. Mr. N. Rama Rao has stipulated that he should be the Consultant of the Company on a remuneration of Rs.200 per month, as well as the Chairman of the Board of Directors, for a period of five years. These conditions are likely to affect the revenue prospects of the concern, to some extent, and to minimise the control and influence which the Government Directors on the Board might be expected to exercise.

29 All the same, as there seems to be no prospect of private enterprise undertaking the establishment of filatures on more acceptable terms, it is necessary to give encouragement to this concern, although it may not be advisable, for the reasons stated above, for the Government to subscribe to the capital of the company or to take any substantial part in its management

30 For the factory site, the Director of Industries and Commerce seems to think that ten acres of land would be sufficient. If so, there is no need to specify twenty acres in the Government Order. The conversion fine may be waived only in respect of that portion of the land which may be used for the construction of factory buildings and workmen's quarters. Land used for mulberry plantation will continue to bear land revenue assessment.

31 The paragraph regarding the supply of electric

Serial No.

power may be modified as suggested by the Financial Secretary.

32 With regard to the purchase of raw silk for the Government weaving factory, the Director of Industries and Commerce has proposed that the initial arrangements should be in force for a period of two years, subject to reconsideration if other filatures come into existence. This suggestion may be adopted.

33 As regards the request of the promoters for the free grant of 40 acres of unoccupied land for growing mulberry plantations, the Director of Industries and Commerce points out that there is no need for the grant of this concession as private people can always be granted land on "shraya" tenure under existing rules and a scheme for the grant of bonus to private persons for rearing mulberry topes is also in force. There is no need, therefore, to give any special concession in this respect.

34 In the matter of encouragement of rival companies, it may be made clear that Government will refrain from giving similar facilities to other concerns only so long as they are satisfied with the progress made by the Company and feel assured that it will be able to extend its operations to the whole area within a resonable period of time.

35 A revised draft Government Order in accordance with the above observations is kept below.

NCH
18/10/37

WD 0284—GPB—30,000—13-9-37

Establishment of Silk Filatures in the State.

1534

16

Serial File No. 86 of 193).

General and Revenue Secretariat

36 The revised G.O may be approved and the case disposed of by circulation.

Dewan

18.10.37.

DEWAN'S OFFICE
18 OCT. 1937
No. 2696.

37 Ms
18-10-37

Chief Secretary with enquiry

19.10.37.

17

For Disposal by Circulation. **No. C. 135**

of 1937-38

GENERAL AND REVENUE SECRETARIAT.

Council Matter.

Subject

Proposals in regard to the affording of facilities for the promotion of a joint stock company for establishing Filatures in the State.

Circulated to the Members of Council.

By Order,

Chief Secretary to Government.

19th October 1937

First Member of Council. 38 22/10

2236 21/10

Second Member of Council. 39 (Seen)

Financial Secy. With Compliments for perusal.

MS 22/10

25/10

For favour of final note

3242 29.10.37

Second Member)

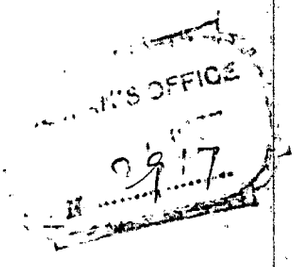
F.N. Signed by Member. MS 26/10

CLG 29/10/37

18 C135

General and Revenue Secretariat | File No. | of 193 | [App. F. III—2

Serial No.



Subject.-

Proposals re: concessions to be granted for the promotion of a Joint Stock Co. for establishing filatures in the State.

....

40 S. N. put up.

DEWAN)

1 MS 29.10.37

NOTE—Contn. Sheet.

WD 0284—GPB—30,000—13-9-37

Submitted to His Highness. 19

41 I submit herewith a Final Note by the Second Member of Council re: concessions to be granted for the promotion of a Joint Stock Company for establishing filatures in the State,

for His Highness' gracious approval.

S Rajagopal

Bangalore,
30th October 1937.

FIRST MEMBER OF COUNCIL,
(in charge of current duties of Dewan).

42 **Final Note by the Second Member of Council.**

20

Subject.—

Concessions to be granted for the promotion of a joint stock company for establishing filatures in the State.

Mr. Narain Rao Naik of the Sri Rama Silk Throwing Factory has, in consultation with Mr. N. Rama Rao, retired Director of Industries and Commerce, submitted proposals for the formation of a joint stock company for establishing silk filatures in the State. The first filature is proposed to be installed at T. Narsipur and two or more similar units are to be started in due course in the T.Narsipur, Nanjangud, Chamarajnagar, Mulbagal and Yelandur taluks. The share capital of the Company is proposed to be fixed at Rs.10 lakhs, of which only shares to the extent of Rs.4 lakhs are to be issued at present.

2 The Board of Sericulture, at its meeting held on 12th July 1937 resolved that as the ultimate prosperity of the silk industry must depend on the production of high grade raw silk in modern filatures and as there is scope for starting a number of such filatures, encouragement may be given by the Government to people who wish to start and work filatures, keeping in view the needs of each locality. The Director of Industries and Commerce has forwarded the resolution of the Board along with his own recommendations in regard to the assistance to be given to the proposed Company..

Pages 13 & 14 of the notes

3 When the papers came to me I minuted as follows:-

"It is a pity that private interests should figure so largely in the enterprise. Messrs. Narayana Rao Naik and Company want to be Managing Agents for 20 years with the right to nominate two Directors. They are to receive a fixed remuneration of Rs. 500 per month and to get in addition, 10 to 12½ per cent of the net profits. Mr.N.Rama Rao has stipulated that he should be the Consultant of the Company on a remuneration of Rs.200 per month, as well as the Chairman of the Board of Directors for a period of five years. These conditions are likely to affect the revenue prospects of the concern, to some extent and to minimise the control and influence which the Government Directors on the Board might be expected to exercise.

"All the same, as there seems to be no prospect of private

enterprise undertaking the establishment of filatures on more acceptable terms, it is necessary to give encouragement to this concern, although it may not be advisable, for the reasons stated above, for Government to subscribe to the capital of the company or to take any substantial part in its management".

Para 4 & 5 of Flag 'G'

4 The following are the more important concessions proposed to be granted to the Company:-

(1) Grant of 10 acres of land free of charge, for the construction of a factory and other buildings. In the event of private land having to be acquired for the factory site, the cost of the acquisition will be met by the Company, the "conversion fine" being, however, waived;

(2) Permission to utilise water from the Cauvery for the use of the filature, free of charge;

(3) Supply of electric power at the concession rates applicable to large industrial concerns when power becomes available at T.Narsipur;

(4) Transfer of the machinery and equipment of the Government filature at Mysore, including the domestic basins installed therein, to the Company at a reasonable valuation, subject to certain conditions;

(5) Lending the services of one or more departmental officers on the usual terms regarding payment of salary and pensionary and leave contributions.

16+17 & 4

5 The Dewan and the First Member of Council agree to the above proposal and a draft Government Order sanctioning the scheme is submitted to His Highness for gracious approval.

N Madhava Rao

MEMBER OF COUNCIL.

Bangalore,
29th October 1937.

Record of Cases submitted for the Orders of His Highness the Maharaja.

Subject.

Concessions for the promotion of a Joint Stock Company for establishing filatures in the State.

The Secy
SPL
5/11/37

245

43 *Order.*

~~KRW~~
3.11.37

MS
5.11.37

C 135

General and Revenue Secretariat.

1504

23

SUBJECT:— Concessions for the promotion of a Joint Stock Company for establishing filatures in the State.

(*)

31. All urgent or confidential files returned with His Highness' orders may in the absence of instructions or indications to the contrary, be ordinarily circulated to the Members of Council for perusal after the issue of orders.

33. The Secretaries concerned should see that orders in the cases referred to above are issued at once and that the files are returned immediately after to the Chief Secretary for circulation to the Members.

34. In all other cases, the files will first be circulated to the Members of Council at Headquarters and then sent to the Secretariat concerned for the issue of orders.

44

Circulated to Members of Council for perusal of His Highness' orders before/~~after~~ issue of orders.* (*Vide* Rules 31, 33 and 34 of the Subsidiary Rules for the conduct of business of Council in the Manual of Council Rules and Procedure.)

Chief Secretary to Government.

2278
5.11.37.

Through the Secretary to Government,

... ~~Development~~ Department.

5.11.37.

45

FIRST MEMBER OF COUNCIL. (Sent)

3434
6.11.37.

46

SECOND MEMBER OF COUNCIL.

6/11/37

Dev. Secy. with Compliments.

8.11.37

8.11.37

47 Mayne's chamb. q.o. reins?
18.9.11.37

48 Issue

10.11.37

8.11.37

NOTE.—Contn. sheet.

WD 1170—GPB—1,000—24-12-36

Serial No.

49

Financial Secn. has seen (vide page 17) draft and fair sheet. (Returned duly signed by H. Exy on 25.10.37)

25/X/37
14/11

S/D Issue.

Sd/-
12.11.37.

4

D 3497-504 dt. 10.11.37

To Dir I+C in Mysore
Dir A.H. in Mysore
Dy. Comm^r Mysore &
Asst. Comm^r in Mysore
Ch. Electrical Engr of Mysore
Ch. Engineer of Mysore
Compy Thro Dir. Dir P.W.

Sanction re grant of certain Concessions and facilities to the proposed Joint stock Company subject to certain Conditions.

Govt. have agreed to sanction the Govt. Silk Filature including the domestic basins installed therein, to the Company at a reasonable Valuation and also to lend the Co: one or more departmental officers on the usual terms; it is also decided that one more Directors of the proposed Co: will be nominated by Govt.

2. Instructions for orders of the Proposals of the Dir. I.D.F. may be awaited.

Dy Secy
17.11.37

NOTE—Contn. Sheet.

21-11
18/11

WD 0284—GPB—30,000—13-9-37

18.11.37

5/3 Maybe put up on Monday

18.11.37.

25

1534.

File No. Secr S 6 of 193 6 | General and Revenue Secretariat

54 Submitted with draft G.O. as instructed by Secy. Dev Secy 16/11 22/11

55 Messrs Nanjunda Rao Naik Srinivasa Rama Rao met the Dev Secy and made a further representation. They also made a similar representation to the Secretary.

56 Subsequently the Dev Secy met the Member. They have sent a formal letter regarding the reduction of the allowance to Tanjore agents. Flag Chairman, a perusal copy of the G.O. embodying the changes. Flag they would like to see the G.O. and a copy of the Flag. Draft Proceedings

57 The only modification suggested are 1 waiving the conversion fine over the whole area of 10 acres

2 Grant subscribing a fixed capital at 1/3 the value of the fields. b) No of cattle

58 The rest of the changes in the draft suggested by Mr Rama Rao are verbal and have been suggested with a view to make the order more appealing to public.

59 It is a point for orders whether the original G.O. should be with Secy

1534

Joint stock Company for establishing filatures in the State

(26)

General and Revenue Secretariat — Ser File No. 86 of 193 . — [App. F. III—2

Serial No.

62 I have no objection to this, if the original order has not been published already

and a revised order issued. In this case the draft suggested by Dr Rama Rao requires modifications here & there ;

63 A supplemental order is also suggested in regard to the Govt subscription, share capital. As the area undertaken up by building roads etc will be cultivable with Mulberry; the question of price does not arise. The amount will have to be paid. This will if agreed be provided for in the supply order

Forwarded

Sericulturist. 24-11-37.

I explained this to Dr Rama Rao & he agreed that the request of the promoters was fully met already

OFFICE OF THE SECOND MEMBER OF COUNCIL. RECEIVED 1-37 NO. 4008

26/11/37

64 The original order had not been published and so I have passed a revised order adopting Dr Rama Rao's changes after all formalities.

65 The revised order may be signed.

Shares applied for subscription by Govt to have share value of Rs 1000 Rs

Draft as there Sericulturist. 24-11-37.

66 It is not desirable as a Govt servant for Govt to settle shares in a Company. The arrangements by Managing agents for their profit.

67 The purchase of Silk from the Company may not be unconditional but may be qualified by the usual phrase "Subject to

NOTE—Contn. Sheet.

WD 0417—GPB—30,000—8-9-36

27

File No. Seri 8b of 1937. | General and Revenue Secretariat

Serial No.

the quality and price being satisfactory.

30/11/37.

68 The suggestion that the H. Secy that the purchase be subject to "quality & price being satisfactory" may be accepted and the G.O ordered to be issued, the old order being withdrawn.

69 Submitted, the draft G.O will be submitted to His Highness after issue.

Dewan

30.11.37

70

30-11-37

71 May issue at once pencil by Sri. Say.

30.11.

72

73 Draft as desired.

74 Issue.

1/12

1-12-37.

Issued

G.O.No.D.4059-8b 30.11.1937 to the Dist. S.P.F. etc. passing revised orders re grant of concessions to the Inspectors of Fisheries.

Vide Letter No.D. 4079-8b Seri 8b 1-12-37 30.11.37

1015 30/11

Rl. cent. 1015

1536

28

Facilities for starting filatures in the State.

General and Revenue Secretariat | File No. Seri 86 of 1937. | [App. F. III—2

Serial No.

OFFICE OF THE SECOND MEMBER OF COUNCIL. 4 DEC. 1937 NO 4302

2831

4.12.37.

OFFICE OF THE FIRST MEMBER OF COUNCIL DEC 6 1937 No 31557

DEWAN'S OFFICE 3897

OFFICE OF THE SECOND MEMBER OF COUNCIL. 8 DEC. 1937 NO 4390

75 Submd with a D.F. Dr.

18.3.12.37

Dy Secy

3/12

Secy

6.12.

7b Dy This is a council to be circulated to the Ex H

5/12/37

Finl Member

6.12.37.

77

7/12

Secy

78 F.M. Signed by Member.

8.12.

8/12

9.12.

79 Submd with a D.S. Dr.

10.12.37 Dy Secy

Dewan

11.12.

3557 11/12

NOTE—Contn. Sheet.

WD 0284—GPB—30,000—13-4-37

DEWAN'S OFFICE
30 NOV. 1937
No. 21.49

DEWAN'S MINUTE.

FILE No. 193 .

2441

REGISTERED
1 DEC. 1937
DEVELOPMENT BRANCH

Has Mr. Lyall the prospector for Sulu Lalung at T. Karsapa ?

or are they waiting for any further orders from Govt. ?

Mr
30-11-37

D.C.V. Say)

I have spoken with Dewan. Maybe later.

1.12.37

(G) 1/12

Final Note by the Second Member of Council.

30

Subject.—

Concessions to be granted for the promotion of a joint stock company for establishing Filatures in the State.

T M

8[1] With the gracious approval of His Highness orders were issued on 10th November 1937 sanctioning certain concessions and facilities for the starting of a silk Filature in T.Narsipur in the first instance. Since the passing of the Government Order the promoters of the Company interviewed the Dewan and me and made a further representation in the matter of Government purchasing some shares in the Company as has been done by the Mysore Government in the case of a similar concern at Kollegal. At the same time, in pursuance of a suggestion made by the Dewan in this respect, the promoters agreed to a reduction of the monthly allowances to the Managing Agents and Chairman.

N

8[2] On a further consideration of the case in the light of the representations since made by the Company, Government have agreed to subscribe for shares in the Company of the value of Rs.15,000 and this sum will be adjusted from the amount realised by the transfer of the Filature to the Company.

S

8[3] A revised Government Order on the lines suggested by the Company and embodying the decision to subscribe for shares of the value of Rs.15,000 has been issued with the approval of the Dewan and is submitted for the gracious perusal of His Highness.

Page 27 ghi ante.

R. Ramachandra Rao

Bangalore,
8th December 1937.

MEMBER OF COUNCIL.

Submitted to His Highness. 39

80 I submit herewith a Final Note by the Second Member of Council regarding concessions to be granted for the promotion of a Joint Stock Company for establishing Filatures in the State for His Highness' gracious perusal.

Mirza M. Ismail
Dewan.

Bangalore,
11th December 1937.

Record of Cases submitted for the Orders of

His Highness the Maharaja. 32

Subject.

Concessions for the promotion of a Joint Stock Company for establishing Filatures in the State.

Chief Secy
MG
15-12-37

333

MS
16.12.37

84 ***Order.***

~~KRW~~
14|12|37

1854

32

General and Revenue Secretariat.

H. H. 323

SUBJECT :—

Concessions for the promotion of a Joint Stock Company for establishing Filatures in the State.

85

Circulated to Members of Council for perusal of His Highness' orders ~~before/after~~ issue of orders. (*Vide* Rules 31, 33 and 34 of the Subsidiary Rules for the conduct of business of Council in the Manual of Council Rules and Procedure.)

Chief Secretary to Government.

Through the Secretary to Government,

...~~Development~~ Department.

16.12.37

FIRST MEMBER OF COUNCIL.

86

17/12

SECOND MEMBER OF COUNCIL. (Not in Station)

Secretary to Govt
Dev. Dept., with compliments

17/12

21.12

24/12

(*)

31. All urgent or confidential files returned with His Highness' orders may in the absence of instructions or indications to the contrary, be ordinarily circulated to the Members of Council for perusal after the issue of orders.

33. The Secretaries concerned should see that orders in the cases referred to above are issued at once and that the files are returned immediately after to the Chief Secretary for circulation to the Members.

34. In all other cases, the files will first be circulated to the Members of Council at Headquarters and then sent to the Secretariat concerned for the issue of orders.

NOTE.— Contn. sheet.

WD 1170—GPB—1,000—24-12-36

1534.
3021
3133.

33

Serial No.	
SA.	Letter dated 3.12.1937 from the Sri Rama Silk Throwing Factory requesting that Govt. may be pleased to nominate a Govt. Director for the new Company.
7	Letter dated 8.12.37 from the same Factory requesting that Channarajanagar may be included in the list of Taluks specified in the G.O. as constituting Sericultural area.
8 : 5 J	87 In para 2 of G.O. dated 30th Nov. 37, it is stated that "the Scheme comprises the promotion of a joint stock Co. for establishing a filature of 200 basins at T. Narsipur in the first instance and following this up in due course with similar units at other centres in T. Narsipur, Nanjangud, Malvalli and Yelandur Taluks." The Memorials now want Channarajanagar to be included in the list of places referred to above. This place has not been referred to in the draft prepared by Mr. Rama Rao. The Memorials may perhaps be entitled to include Channarajanagar also.
	88 Orders are also solicited re Govt. Director to be nominated by Govt.

NOTE—Contn. Sheet.

WD 0284—GPB—30,000—13-8-37

Para 3 of G.O.

By Ki. 22.12.37 Govt. have considered it necessary to have a Dir. on the Board who

Appointment of Govt. Director for the Company for establishing filature in the State

34

Sw File No. 86 of 193 . General and Revenue Secretariat

OFFICE OF THE
HON'BLE MEMBER OF COUNCIL.
23 DEC. 1937
No. 4503.

DEWAN'S OFFICE
24 DEC. 1937
No. 4275

Chamarajnagar may also be included as certain areas adjoining T.N. part of Coimbatore are silk rearing areas. Eg. Kunnathur Mangala. At the latter place there is an Assistant Manager also.

The Dist. S.O.P. may perhaps be appd Govt. Dir. on the Board.

KG
22/12

Dev. Secy)

It is not necessary to ~~issue~~ issue a supplemental order merely to include Chamarajnagar. This may be taken up in due course.

The Safety Secretariat (Dr H. S. Gopinathan) may be appointed Govt Director.

Secretary)
Dewan)

MW
22.12.
KG
23/12

MW
24/12/37

Mg
24-12-37

MW 27.12.37
KG
27/12

Up to Secretary
KG 28.12.37

Here ought to be a separate

3133
3387 35

General and Revenue Secretariat | File No. Gen. 86 of 1936. | [App. F. III—2

Serial No.

I think
G.O. re. appointment of Mrs Govt. Director;
Please put up a draft.

ICS
28/12

A draft Notification is sent as requested
by Rev. Secy. 14.3.38.

ICS
31/1/38

Vide page 755 of Govt. Gazette 29.3.38 Part III-1 - Appts 60-37-1 - M.

Rev. Secy)

MW
11.1.38.

Issue as desired
ICS
4.1.38

TYPING SECTION 31/1/38
GENL & REV. SECTT.

TYPING SECTION 5 JAN 1938
GENL & REV. SECTT.

D 4738 dt 7.1.38
to Compiler m.g.
Notify the appointment of Mr H's Govinda Rau - Superintendent of Sericulture as Government Director on the Board of Directors of the Mysore Silk Filature Ltd"

D 47/38-40 dt 7.1.38
to Comptr Typist
Dis etc.

Rec'd
8-1-38.

NOTE—Contn. Sheet.

WD 0284—GPB—30,000—13-9-37

jangud, Malavalli and Yelandur taluks. The promoters state that it is an essential part of their project to improve the quality of cocoons produced in that area by adopting a comprehensive programme which includes production of good silk-worm seed, and the creation of facilities required by rearers; and for the effective working out of that programme they seek the close co-operation of the Sericultural Department.

Govt. consider the scheme a well conceived one holding promise of success and therefore deserving of their support.

Government are pleased to offer the following concessions and facilities to the proposed Company.

(i)

(ii) Government will give the Company free of charge about 10 acres of land for the construction of a Factory and other buildings if the land selected for the purpose is at the disposal of Government. In the event of private land having to be acquired for the Factory site, the cost of acquisition will be borne by the Company and the conversion fine in respect of it will be waived.

(iii) Permission will be given to utilise water from the Cauvery for the use of

Yelandur taluks. The promoters state that in addition to starting filatures, it is their intention to secure all round improvement in the rearing branch of the industry as well, by establishing personal contacts with sericulturists and working in close co-operation with the Department of Sericulture.

Govt. consider that the scheme put forward is on the whole suitable and deserving of their support, and they are accordingly pleased to offer the following concessions and facilities to the proposed Company.

Government will give the Company free of charge about 10 acres of land for the construction of a Factory and other buildings if the land selected for the purpose is at the disposal of Government. In the event of private land having to be acquired for the Factory site, the cost of the acquisition will be met by the Company. The "conversion fine" in respect of that portion of the land which is used for the factory and other buildings will be waived.

Permission will be given to utilise water from the Cauvery for the use of the filature, free

Draft by Mr.N.Rama Rao

Sericulture ~~as profitable industry practised~~ has for a long time been practised in nearly ~~1,50,000 village homes~~ and an object of the Government's special solicitude. As has been observed by the Board of Sericulture, the prosperity of this industry must ultimately depend on the conversion of the cocoons produced by rearers into high grade silk in modern filatures and there is scope in the State for the establishment of a number of filatures.

Mr.Narayana Rao Naik, a prominent silk merchant of Bangalore, has submitted to Government a scheme prepared in consultation with Mr.N. Rama Rao, Retired Director of Industries and Commerce, who has been closely associated with Mysore Sericulture for over fifteen years. The scheme comprises the promotion of a Joint Stock Company for establishing a Filature of 200 basins at T.Narasipur in the first instance and following this up in due course with similar units at other centres in the T.Narasipur, Nan-

Draft approved by Government.

As has been observed by the Board of Sericulture, the ultimate prosperity of the silk industry must depend on the production of high grade raw silk in modern filatures, and there is scope for starting a number of such filatures in the sericultural tracts of the State.

Mr.Narayana Naik of Sri Rama Silk Throwing Factory has, in consultation with Mr.N.Rama Rao, retired Director of Industries and Commerce, submitted proposals for the promotion of a joint stock company for establishing a filature consisting of 200 basins at T.Narasipur, in the first instance, and of starting, in due course, two or more similar units at other centres in the T.Narsipur, Nanjangud, Chamarajanagar, Malavalli and

the condition that the Company will guarantee the supply to the Govt. Silk Factory at Mysore of all the raw silk required by it, ~~xxx~~ at a price determined according to a formula agreed upon between the Company and Govt. Government will purchase all the raw silk required for the Silk Factory and other Government concerns from the Company. This arrangement will be in force for 2 years in the first instance.

between the Company and Government and

(c) that the arrangements for the purchase of silk will be subject to reconsideration at the end of two years or earlier if new filatures come into existence.

(d) ~~Govt.~~ Govt. will subscribe for shares in the company of the value of Rs. 15,000/- the basis of shares being adjusted from the value realised by this transfer to the co. of the value of this machinery and equipments of Govt. Silk Filature at Mysore, including Domestic Basins.

Plan to be put in page after [illegible]

(vi) Government will be prepafed to lend the Company the services of one or more departmental officers on the usual terms regarding payment of salary pensionary and leave contributions.

Government will be prepared to lend the Company the services of one or more departmental officers on the usual terms regarding payment of salary ~~and~~ pensionary and leave contributions.

(vii) The promoters request that arrangements may be made for the systematic testing of silk produced in the Filature and the granting of certificates of quality. Pending the establishment of a standard conditioning House, the Sericultural Department will conduct all tests possible with existing facilities

The promoters request that arrangements may be made for the systematic testing of silk produced in the Filature and issue certificates of quality. In the absence of a well equipped conditioning House, it is not possible for the Sericultural Department to conduct all the required tests in accordance with the international standards and to issue certificates of quality. It will however endeavour to make such tests as the available facilities permit and certify

of the filature, free of charge. The actual arrangements proposed for taking water will be subject to the approval of the P.W.D. The Company will also arrange for the proper disposal of the effluent water of the factory in accordance with the instructions of the Department of Health.

(iv) Electric power will be made available at rates applicable to large industrial concerns.

(v) The machinery and equipment of the Government Filature at Mysore including Domestic Basins will be transferred to the Company at a valuation based on the present market value of such basins and machinery, with reasonable deductions for depreciation, and the price so fixed will be received by Government in the shape of full paid up shares of the Company at par. This transfer will be subject to

free of charge. But the actual arrangements proposed for taking water will be subject to the approval of the P.W.D. The Company will also arrange for the proper disposal of the effluent water of the factory in accordance with the instructions of the Department of Health.

Electric power will be supplied at the concession rates applicable to large industrial concerns, when power becomes available at T.Narsipur.

The machinery and equipment of the Government Filature at Mysore, including the Domestic Basins installed therein will be transferred to the Company at a reasonable valuation, subject to the following conditions viz:

(a) that the company will guarantee the regular supply of silk in quantities required by the Govt.Silk Weaving Factory.

(b) that the prices to be paid will be settled according to a formula agreed upon

to ensure this cooperation Government consider it necessary to have a Director on the Board of the Company. They will also provide for an audit of the accounts of the Company at their cost whenever they think fit. The promoters have willingly accepted this arrangement.

Government trust that the Company will be formed without delay and that it will begin active operations within a year.

(c) that the company will be formed and begin active operations within a period of one year.

facilities and equipment and issue certificates of the results free of charges.

the results without charging any fees.

(viii) Government trust that the Company will in due course extend its activities and establish more filatures at other suitable centres in the sericultural area which it has selected for its operations. So long as the Government are satisfied with the progress made by the Company in this respect, they do not propose to give similar concessions in this area to any other concern.

Government trust that the Company will, in due course, extend its activities and establish more filatures at other suitable centres in the sericultural area which it has selected for its operations. So long as the Government are satisfied with the progress made by the Company in this respect, they do not propose to give similar concessions in this area to any other concern.

Since the success of the Filature is bound up with the prosperity of the Sericultural industry as a whole, Government consider that close co-operation is necessary between the Company and the Sericultural Department, especially in regard to the organisation of a adequate seed supply, the improvement of mulberry cultivation and the creation of facilities to rearers. In order

The grant of the aforesaid concessions and facilities will be subject to the following conditions viz:-

(a) that one of the Directors will be nominated by Government

(b) that it will be open to Government to cause the accounts of the Company to be audited and inspected by their officers at their own cost, and

TEL. 'SRIRAMSILK' BANGALORE CITY

5 APR. 1937

SHOW ROOMS: 409. AVENUE ROAD. B-CITY
32. PYCROFT'S RD. MADRAS

SHRI RAMA SILK THROWING FACTORY

PROPRIETORS:
NARASINGASAI SHALGAR
&
NARAYAN NAIK CO.

SHRI-RAM-BAGH
P. O. BASAVANGUDI
BANGALORE CITY

Presented by Mr. Narayana Rao Naik in person. He has given to see the proposals and the details calculations in regard to capital & profit. The letter is not signed.

OFFICE OF THE RECORD SECTION OF COUNCIL. 1937 NO. 6900

31st March, 1937.

The Secretary to Government of Mysore,
Development Department,
BANGALORE.

Dev 86-37

Sir,

I beg to state that myself and a few of my friends intend to form a Company for the purpose of starting Silk Filatures in the Mysore State. The Silk Association have pressed for the establishment of the Filature in their general scheme of reorganisation of the silk industry in the State. In view of the recent increase in the prices of silk and of the fact that the establishment of the Spun Silk Mills has created a steady demand for the silk waste, it is considered that the present is the best time for starting the Filatures which will fill the big gap now existing in the organisation of silk industry in our State. In this connection I visited Japan last year specially to see myself the improved method of working Filatures and other allied branches and had ample opportunities to study them. I am confident that the Filatures if

worked on these lines will certainly be a splendid success.

It is our intention to start three Filatures of 200 basins each, in three different localities in the sericultural areas of the State. To begin with, we intend putting up one Filature of 200 basins immediately. After working this unit for some time, we shall start the other two Filatures in two different localities. Very careful estimates indicate that there is every reasonable chance of the Company giving handsome dividend to share-holders. In framing the estimates we have taken into account the improvements to be embodied in the various machinery to be installed. We have also taken into account the effect of the protective duty and its concomitant improvements, etc., aiming at reducing the cost of production of our silk. While we are confident that the Factory can be worked on a satisfactorily remunerative basis, we consider the co-operation and support of Government to be necessary to ensure the success in floating of the Company and its efficient working. We therefore request that in accordance with the general policy of Government to extend their support to industrial concerns of this kind, particularly to all enterprises calculated to promote the sericultural industry in the State, the under-mentioned

concessions may kindly be granted.

1) Grant of Government lands about 400 acres for each unit round about the place where Filatures will be established free for planting mulberry gardens and trees raising seed cacoons for preparing decease free layings and for raising a quantity of reeling cacoons.

2) Grant of an aided grainage under the present rules for preparing adequate quantities of decease free layings for raising cacoons required for the Filatures.

3) To lend the services of Technical Staff for the grainage as also for the Filature.

4) To grant special concession rate for the supply of electric power and water.

5) To hand over to us the Mysore Filature when it is required by us on payment of reasonable sale price.

6) The Government to purchase their requirements of silk to the Weaving Factory from our Filatures.

7) The Government not to give concessions similar to the above to other companies or persons for a period

of ten years.

We beg in conclusion, to point out that the concessions begged for are such as do not involve the Government in any financial commitments, and are undoubtedly very small considering the large benefits the establishment of the Filatures will confer on the silk industry in the State. Therefore, I request you to kindly get the above concessions sanctioned very early.

The Prospectus of the Company is under preparation and will be submitted very shortly.

Thanking you,

Yours faithfully,

The Bangalore Silk Filature & Throwing Mill.

TELEGRAMS "FILATURE" BANGALORE.
BENTLEY'S CODE.

ULSOOR GATE,
BANGALORE CITY.

CONFIDENTIAL.

6th April 1937.

7 APR 1937
OFFICE OF THE HON'BLE MEMBER OF COUNCIL
9 APR 1937
NO 7168

Dear Mr. Venkatanaranappa,

It must be a matter of great satisfaction to Government that the depression under which the silk industry has laboured for so many years is now definitely a thing of the past. For some considerable period the prices of foreign silk have been steadily rising and today's price is well over the limit suggested by the Tariff Board as the fair selling price of Indian silk. The moderate protection given by the Government of India to Indian silk holds good for another two years and there is every prospect that by the time it ceases to be effective, the Mysore industry will no longer be in need of protection.

2. It is true that for the moment there has been a sudden and unreasonable rise in the price of cocoons in Mysore; but there is reason to believe that that is a temporary phase and that the position will soon be normal and satisfactory.

3. The present opportunity therefore seems to be a suitable one for the purpose of carrying out a measure which has long been deemed to be essential for the due development of the industry, viz. the establishment of filatures for reeling raw silk. Those connected with the industry are satisfied that there is every prospect of running filatures successfully and that no time should be lost in making a beginning on a sufficiently large scale. It is the unanimous opinion of those whom I have consulted that a Joint Stock Company should be formed for the purpose of erecting filatures simultaneously in at least three of our silk centres.

4. In the circumstances some of my friends and myself have decided to promote a Joint Stock Company for the purpose. Our estimates show that with a capital of 5½ lakhs of rupees it would be possible to establish 3 filatures of 100 basins each, capable of an output of 1,12,500 lbs. of silk a year; and that there is a prospect of paying a dividend of about 15 per cent on the capital. As at present advised, we consider that the filatures should be established in (1) the Bangalore - Chikballapur area; (2) Closepet - Channapatna area; and (3) Mysore - Mugur area. It will be our aim not only to instal additional basins in these filatures, but to open others in new centres from time to time as circumstances permit. The number of basins required to deal with the whole of the silk produced in the State is estimated at no less than 2,500.

5. The promoters have little doubt that Government will give their cordial support to the proposal and will make it clear to the general public that the enterprise is one which deserves every encouragement. We are not at present under the necessity of applying to Government for any considerable concession, though we should be grateful for the grant of land required for the factories - about 6 acres at each place - as also for the promise, on favourable terms, of blocks of land suitable for the cultivation of mulberry, in the event of the Company's deciding to raise mulberry plantations. We feel assured that we can safely count on the sympathetic assistance of the officers of Government and, in particular, of the Director of Industries and Commerce.

6. As regards the participation of Government in the capital, while we have every assurance that we shall be able to raise the necessary capital without the assistance of Government, we earnestly

earnestly trust that Government will be pleased to identify itself with this venture as it has done in so many other cases, by subscribing 10 per cent of the capital. We beg that Government will give its most sympathetic consideration to this request.

7. The management of the Company will be entrusted to a managing agency, the remuneration being in the shape of a moderate office allowance and a percentage of the net profits, provided they amount to at least 6 per cent of the paid-up capital. My own firm will be the first Managing Agents. I need hardly say that having been in the business for the last 15 years and possessing an organisation capable of taking immediate charge of the factories, I have every confidence that I shall be able to manage the concern successfully.

8. It is proposed to form a Board of Directors consisting of not more than nine persons, two of whom would be nominated by Government in the event of their subscribing a portion of the capital. But even otherwise it is the earnest desire of the promoters that there should be at least one Government Director on the Board.

9. I shall be grateful if you will kindly place the matter before Government and favour me with their decision at an early date. If, as we earnestly hope, Government decide to take up a portion of the capital, no decision of any kind will be taken by the promoters until Government are in a position to appoint their nominees to the provisional Board.

Yours sincerely,

Lal. F. L. Sethna

M. Venkatanaranappa Esq.

Secretary to Government,

Development Department,

Bangalore.

Letter dated 6th April 1937, from the Bangalore Silk Filature & Throwing Mill, Ulsoor Gate, Bangalore City, to the Development Secretary.

It must be a matter of great satisfaction to Government that the depression under which the silk industry has laboured for so many years is now definitely a thing of the past. For some considerable period the prices of foreign silk have been steadily rising and to-day's price is well over the limit suggested by the Tariff Board as the fair selling price of Indian silk. The moderate protection given by the Government of India to Indian silk holds good for another two years and there is every prospect that by the time it ceases to be effective, the Mysore industry will no longer be in need of protection.

2. It is true that for the moment there has been a sudden and unreasonable rise in the price of cocoons in Mysore; but there is reason to believe that that is a temporary phase and that the position will soon be normal and satisfactory.

3. The present opportunity therefore seems to be a suitable one for the purpose of carrying out a measure which has long been deemed to be essential for the due development of the industry, viz. the establishment of filatures for reeling raw silk. Those connected with the industry are satisfied that there is every prospect of running filatures successfully and that no time should be lost in making a beginning on a sufficiently large scale. It is the unanimous opinion of those whom I have consulted that a Joint Stock Company should be formed for the purpose of erecting filatures simultaneously in at least three of our silk centres.

4. In the circumstances some of my friends and myself have decided to promote a Joint Stock Company for the purpose. Our estimates show that with a capital of 5½ lakhs of rupees it would be possible to establish 3 filatures of 100 basins each, capable of an output of 1,12,500 lbs. of silk a year; and that there is a prospect of paying a dividend of about 15 per cent on the capital. As at present advised, we consider that the filatures should be established in (1) the Bangalore - Chikballapur area; (2) Closepet - Channapatna area; and (3) Mysore-Mugur area. It will be our aim not only to instal additional basins in these filatures, but to open others in new centres from time to time as circumstances permit. The number of basins required to deal with the whole of the silk produced in the State is estimated at no less than 2,500.

5. The promoters have little doubt that Government will give their cordial support to the proposal and will make it clear to the general public that the enterprise is one which deserves every encouragement. We are not at present under the necessity of applying to Government for any considerable concession, though we should be grateful for the grant of land required for the factories - about 6 acres at each place - as also for the promise, on favourable terms, of blocks of land suitable for the cultivation of mulberry, in the event of the Company's deciding to raise mulberry plantations. We feel assured that we can safely count on the sympathetic assistance of the officers of Government and, in particular, of the Director of Industries and Commerce.

6. As regards the participation of Government in the capital while we have every assurance that we shall be able to raise

raise the necessary capital without the assistance of Government, we earnestly trust that Government will be pleased to identify itself with this venture as it has done in so many other cases, by subscribing 10 per cent of the capital. We beg that Government will give its most sympathetic consideration to this request.

7. The management of the Company will be entrusted to a managing agency, the remuneration being in the shape of a moderate office allowance and a percentage of the net profits, provided they amount to at least 6 per cent of the paid-up capital. My own firm will be the first Managing Agents. I need hardly say that having been in the business for the last 15 years and possessing an organisation capable of taking immediate charge of the factories, I have every confidence that I shall be able to manage the concern successfully.

8. It is proposed to form a Board of Directors consisting of not more than nine persons, two of whom would be nominated by Government in the event of their subscribing a portion of the capital. But even otherwise it is the earnest desire of the promoters that there should be at least one Government Director on the Board.

9. I shall be grateful if you will kindly place the matter before Government and favour me with their decision at an early date. If, as we earnestly hope, Government decide to take up a portion of the capital, no decision of any kind will be taken by the promoters until Government are in a position to appoint their nominees to the provisional Board.

'Copy'

Letter dated 31st March, 1937, from Shri Rama Silk Throwing Factory, Bangalore City, to the Secretary, Development Department.

I beg to state that myself and a few of my friends intend to form a Company for the purpose of starting Silk Filatures in the Mysore State. The Silk Association have pressed for the establishment of the Filature in their general scheme of reorganisation of the silk industry in the state. In view of the recent increase in the prices of silk and of the fact that the establishment of the Spun Silk Mills has created a steady demand for the silk waste, it is considered that the present is the best time for starting the Filatures which will fill the big gap now existing in the organisation of silk industry in our State. In this connection I visited Japan last year specially to see myself the improved method of working Filatures and other allied branches and had ample opportunities to study them. I am confident that the Filatures if worked on these lines will certainly be a splendid success.

It is our intention to start three Filatures of 200 basins each, in three different localities in the sericultural areas of the State. To begin with, we intend putting up one Filature of 200 basins immediately. After working this unit for some time, we shall start the other two Filatures in two different localities. Very careful estimates indicate that there is every reasonable chance of the Company giving handsome dividend to share-holders. In framing the estimates we have taken into account the improvements to be embodied in the various machinery to be installed. We have also taken into account the effect of the protective duty and its concomitant improvements, etc., aiming at reducing the cost of production of our silk

While we are confident that the Factory can be worked on a satisfactorily remunerative basis, we consider the co-operation and support of Government to be necessary to ensure the success in floating of the Company and its efficient working. We therefore request that in accordance with the general policy of Government to extend their support to industrial concerns of this kind, particularly to all enterprises calculated to promote the sericultural industry in the State, the under-mentioned concessions may kindly be granted.

1. Grant of Government lands about 400 acres for each unit round about the place where Filatures will be established free for planting mulberry gardens and trees raising seed cocoons for preparing disease free layings and for raising a quantity of reeling cocoons.

2. Grant of an aided grainage under the present rules for preparing adequate quantities of disease free layings for raising cocoons required for the Filatures.

3. To lend the services of Technical Staff for the grainage as also for the Filature.

4. To grant special concession rate for the supply of electric power and water.

5. To hand over to us the Mysore Filature when it is required by us on payment of reasonable sale price.

6. The Government to purchase their requirements of silk to the Weaving Factory from our Filatures.

7. The Government not to give concessions similar to the

the above to other companies or persons for a period of ten years.

We beg in conclusion, to point out that the concessions begged for are such as do not involve the Government in any financial commitments, and are undoubtedly very small considering the large benefits the establishment of the Filatures will confer on the silk industry in the State. Therefore, I request you to kindly get the above concessions sanctioned very early.

The Prospectus of the Company is under preparation and will be submitted very shortly.

Thanking you,

'Copy'

Estimate for a Filature of 200 basins.

I.	MACHINERY:-		
1	200 reeling basins (without cooking basins) porcelain in wood work covered with brass plate with standard size reels, Jetteboutte etc., or Button system at Rs.200 per basin	..	40,000
2	Modern combined cooking machinery to handle 4,000 lbs. of cocoons a day. Complete with fittings-Linear or vertical type	..	7,000
3	Cocoon stifling machinery for the above.	..	10,000
4	Boiler	..	8,000
5	Steam connections and erection	..	10,000
6	Well, Water tank, and Pump etc.,	..	7,000
7	Motors and electric fittings 20 H.P.	..	3,000
8	Scientific appliances etc.,	..	3,000
9	Workshop machinery	..	2,500
10.	Miscellaneous, such as tubs, push carts for carrying tubs of cocoons etc.,	..	2,000
11.	Extra reels 200 @ Rs. 5 each	..	1,000
12.	Furniture and dead stock	..	5,000
13.	Unforeseen charges-Lumpsum	..	5,000
14:	Lorries	..	8,000
15.	Contigent charges	..	5,000
			1,16,500

II.	Buildings:-		
1	(a) Building for reeling-2 sheds-25'x140' 7,000 sq.ft. sides 15' high, fly roof, cement concrete floor, with pipes drains etc., each @ Rs. 3 per sq. ft.(Asbestos sheet covering.)	..	21,000
	(b) Land for Factory-6 acres at Rs. 250 per acre	..	1,500
2	2 buildings for cooking Department and stifling- each (50'x30')-15' high on sides, cement and concrete flooring-with drains etc., @ Rs. 3 per sq.ft. on 3000 Sq feet.	..	9,000
3	Cocoon stores sheds 2- with racks, etc., 120'x25'- 6,000 sq,ft. sides 15' with cement concrete fitted with racks and rat-proof arrangement @ Rs. 4 per sq.ft.	..	24,000
			55,500

	B.F.		55,500
4	Examination and skeining rooms 2- 30'x20' -600'x2' - 1,200 sq.ft.	)2,800 sq.ft @ Rs. 3 per sq.ft.	
5	Office rooms 2- 30'x20'-600sq.ft. 600x2 1,200 sq.ft.		8,400
6	Assistant's room 400 sq.ft		
7	Labourer's lunch shed	..	2,500
8	Silk stores etc., 30'x 20'-600 sq.ft @ Rs. 3 per sq.ft	..	1,800
9	Watch men's quarters -2 at Rs.500	..	1,000
10	Fencing cmpound - Lumpsum	..	3,000
11	Directors quarters	..	6,000
12	Latrines etc.,	..	3,000
13	Unforeseen expenditure (including drainages)	..	5,000
			86,200 or 90,000

III WORKING CHARGES:-

		Rs.	
	A Staff:-		
(a)	Expert Rs. 200-20-400	300	Maximum
(b)	1 Assistant Expert	125	
(c)	4 Reeling Supervisers on Rs.50 each	200	
(d)	20 Reeling Overseers- 20-1-25.	400	
(e)	2 Cooking Experts- 75-5-100	150	
(f)	4 Cooking Assistants- 35-3-50	140	
(g)	16 Cookers and helpers @ Rs.10	160	
(h)	30 Skin Examiners @ Rs. 10	300	
(i)	Examining Assistants 2 for seriplane and other tests @35-3-50	70	
(j)	8 Skin Marers @ Rs.10/-	80	
		1,925 x 12	23,100 or

	B Labour:-			
(1)	200 reelers @ Rs. 9 per men.	1,800		
	80 helpers @ Rs. 8 "	640		
	40 Knotters " 6 "	240		
		2,680 x 12		32,160
(2)	Boilers men @ Rs. 30/- Per men.			720
(3)	2 Mechanics " 35/- " and " 25/-			720

16

		B.F.	Rs. 33,600
(4)	Fuel and cocoon coolies- 16 @ Rs. 12 each		2,300
		Total	35,900 or 36,000

IV. MANUFACTURING CHARGES:-

1	Cocoon (Rendita 15- production per basin 1.25 lbs(20/24 denier-1.25 x 15 (Rendita) x 300 (No. of working days per year) x 200 basins @ Rs.0-5-0 per lb.	3,51,562
2	Transport charges at 1½ pies per lb.	8,475
3	Stifling charges at 1 pie per lb.	5,650
4	Pay of Staff:-	23,100
5	Electric power	500
6	Labour	36,000
7	Cost of fuel at 3 tons per day @ Rs. 8/- per ton for 300 days	7,200
8	Cost of repairs etc., @ 2½ % on cost of machinery i.e. on Rs. 1,08,000	2,700
9	Repairs to buildings at 1% on Rs. 85,000	850
10	Contingencies	2,000
11	Clerical staff and office establishment:-	
	1 accountant at Rs. 80/- Rs.960 1 cashier at Rs. 50/- " 600 2 clerks at Rs. 30/- and 25/- " 660 1 typist at Rs. 40/- " 480 1 store keeper " 50/- " 600 2 store assistants at Rs. 20/- each " 480 2 peons and 2 watchmen - 50/- " 600	4,380
12	(a) Depreciation on Machinery @ 7½ per annuam on Rs. 80,000	6,000
	(b) On lorries @ 25% on Rs. 8,000	2,000
13	Depreciation of buildings on Rs. 87,000 @ 2½ % per annuam	2,200
14	Sales Commission approximately 1 anna per lb. (lumpsum)	5,000
	Total	4,57,617

17

V. RECEIPTS

1.	75,000 lbs. of 20/24 denier silk at Rs 6-4-0 per lb.	Rs 4,68,750	
2.	50,000 lbs. of silk waste at Re. 0-12-0 per lb.	37,500	5,06,250
	TOTAL PROFITS.		48,633
	(On a Capital of Rs 3,50,000 profits will be Rs 45,500/- at 13%)		45,500

CAPITAL REQUIRED.

1.	MACHINERY	Rs 1,16,500	
2.	BUILDINGS	Rs 90,000	
3.	WORKING CAPITAL	Rs 1,43,500	3,50,000

ESTIMATE FOR A FILATURE OF 200 BASINS.

I. MACHINERY:-

1.	200 reeling basins (without cooking basins) porcelain in wood work covered with brass plate with standard size reels, Jetteboutte etc., or Button system at Rs.200/- per basin. ..	40,000
2.	Modern combined cooking machinery to handle 4,000 lbs. of cocoons a day. Complete with fittings-Linear or verticle type ..	7,000
3.	Cocoon stifling machinery for the above.	10,000
4.	Boiler ..	8,000
5.	Steam connections and erection ..	10,000
6.	Well, Water tank, and Pump etc., ..	7,000
7.	Motors and electric fittings 20 H.P. ..	3,000
8.	Scientific appliances etc., ..	3,000
9.	Workshop machinery ..	2,500
10.	Miscellaneous, such as tubs, push carts for carrying tubs of cocoons etc., ..	2,000
11.	Extra reels 200 @ Rs.5/- each. ..	1,000
12.	Furniture and dead stock ..	5,000
13.	Unforeseen charges-Lumpsum ..	5,000
14.	Lorries ..	8,000
15.	Contigent charges ..	5,000
		1,16,500

II. BUILDINGS:-

1.	(a) Building for reeling-2 sheds-25'x140' 7,000 sq.ft. sides 15' high, fly roof, cement concrete floor, with pipes drains etc., each @ Rs.3/- per sq. ft. (Asbestos sheet covering.) ..	21,000
	(b) Land for Factory-6 acres at Rs.250/- per acre ..	1,500
2.	2 buildings for cooking Department and stifling- each(50'x30')-15' high on	

	sides, cement and concrete flooring- with drains etc., @ Rs.3/- per sq.ft. on 3,000 sq. ft. ..	9,000
3.	Cocoon stores sheds 2- with racks etc., 120'x25'-6,000 sq.ft. sides 15' with cement concrete fitted with racks and rat-proof arrangement @ Rs.4 per sq.ft. ..	24,000
4.	Examination and skeining rooms 2- 30'x20' -600'x2' - 1,200 sq.ft.	2,800sq.ft. @ Rs.3/- per sq.ft.
5.	Office rooms 2- 30'x20' -600 sq.ft 600x2 1,200 sq.ft.	8,400
6.	Assistant's room 400 sq.ft.	
7.	Labourers lunch shed ..	2,500
8.	Silk stores etc., 30'x20' -600sq.ft. @ Rs.3/- per sq.ft. ..	1,800
9.	"atch men's quarters -2 at Rs.500/- ..	1,000
10.	Fencing compound - Lumpsum ..	3,000
11.	Directors quarters ..	6,000
12.	Latrinesm etc., ..	3,000
13.	Unforeseen expenditure (including drainages) ..	5,000
		86,200 or 90,000

III. WORKING CHARGES:-

	A Staff:-	Rs.	
(a)	Expert Rs.200-20-400	300	Maximum
(b)	1 Assistant Expert.	125	
(c)	4 Reeling Supervisers on Rs.50/- each	200	
(d)	20 Reeling Overseers - 20-1-25.	400	
(e)	2 Cooking Experts - 75-5-100	150	
(f)	4 Cooking Assistants- 35-3-50	140	
(g)	16 Cookers and helpers @ Rs.10/-	160	
(h)	30 Skin Examiners @ Rs.10/	300	
(i)	Examining Assistants 2 for seriplane and other tests @ 35-3-50	70	
(j)	8 Skin Marers @ Rs.10/-	80	
		1,925 x 12	23,100

20

B Labour:-

(a) 200 reelers @ Rs.9 per men.	1,800		
80 helpers @ Rs.8 " "	640		
40 knotters Rs.6 " "	240		
	2,680	x 12	32,160
(2) Boilers men @ Rs.30/- per men			720
(3) 2 Mechanics @ Rs.35/- " " and " 25/- "			720
(4) Fuel and cocoon coolies - 16 @ Rs.12/- each			2,300
		Total.	35,900 or -- 36,000

IV. MANUFACTURING CHARGES:-

1. Cocoon (Rendita 15- production per basin 1.25 lbs(20/24 denier-1.25 x15 (Rendita) x 300 (No.of working days per year) x 200 basins @ Rs.0-5-0 per lb.	3,51,562
2. Transport charges at 1½ pies per lb.	8,475
3. Stifling charges at 1 pie per lb.	5,650
4. Pay of Staff:-	23,100
5. Electric Power	500
6. Labour	36,000
7. Cost of fuel at 3 tons per day @ Rs.8/- per ton for 300 days	7,200
8. Cost of repairs etc., @ 2½ % on cost of machinery i.e. on Rs.1,08,000	2,700
9. Repairs to buildings at 1 % on Rs.85,000	850
10. Contingencies	2,000
11. Clerical staff and office establishment:-	
1 accountant at Rs.80/- Rs.960	
1 cashier at Rs.50/- " 600	
2 clerks at Rs.30/- and 25/- " 660	
1 typist at Rs.40/- " 480	
1 store keeper " 50/- " 600	
2 store assistants at Rs.20/- each " 480	
2 peons and 2 watchmen- 50/- " 600	4,380
12. (a) Depreciation on Machinery @ 7½ per annuam on Rs.80,000	6,000

(b) on lorries @ 25% on Rs.8,000		2,000
13. Depreciation of buildings on Rs.87,000/- @ 2½ % per annuam		2,200
14. Sales Commission approximately 1 anna per lb. (lumpsum)		5,000
	Total.	4,57,617

V. RECEIPTS:-

1. 75,000 lbs. of 20/24 denier silk at Rs.6-4-0 per lb.	Rs.4,68,750	
2. 50,000 lbs. of silk waste at Rs.0-12-0 per lb.	37,500	
		5,06,250
TOTAL PROFITS.		48,633
(On a capital of Rs.3,50,000 profits will be Rs.45,500/- at 13%)		45,500

CAPITAL REQUIRED.

1. MACHINERY	Rs.1,16,500	
2. BUILDING	Rs. 90,000	
3. WORKING CAPITAL	Rs.1,43,500	
		3,50,000

'Copy'.

Mr.V.Vedavyasacharya,B.A.,
xxxxxxxxxxxxxxxxx

13th April 1937

CONFIDENTIAL.

Dear Mr.Silva,

With reference to your confidential letter of the 6th instant to Mr.Venkatanaranappa about certain proposals which you state you have under consideration for promoting a Joint Stock Company for starting filatures in each of the three silk centres of the State, I shall be glad if you can kindly see me some time during office hours when the matter could be further discussed.

Yours sincerely,

13/4

F. X. Silva, Esq.,
The Bangalore Silk Filature
& Throwing Mill, Ulsoor Gate,
Bangalore City.

Issued
D.O. No. 6844. dt 13-4-37

D.6961/Sseri Encls 2
D. 16-4-37

Confidential 23

Dear Mr Srinivasa Iyengar,

Mr F. L. Siva and Mr Narayana Rao Naik have each of them, submitted a scheme for the establishment of filatures in the three important sericultural areas in the State. I enclose for your info^{n}. copies of the letters embodying the details of the schemes.

I do ~~not know it~~ believing these schemes were considered by the Mysore Silk Assoc^{n}. In any case, I shall be ~~glad~~ obliged if you will

Kindly examine ~~The~~ look into ~~Details of~~ the proposals made by these two gentlemen & Jawan Govt with your views thereon, as early as convenient.

Y. S.

Yes
Member of Council

WA
15/4/37

28th April

24

D.O. 268

Dear Mr. Srinivasiengar,

I am in receipt of your confidential D.O. lette
dated 26th April 1937 and wish to thank you for writing
to me so fully regarding the schemes of Messrs. F.L. Pil
and Venugopal Rao C. Naik for the establishment of film
tures in the State.

Yours sincerely,

M

Rajasabhabhushana
Diwan Bahadur K.P. Srinivasiengar, M.A.,
Member of Council (Retired),
Chamarajpet, Bangalore City.

mem no. 268-1.

Mr. Srinivasiengar's confidential letter dated 26th April 1937 is enclosed for taking necessary action

Development Secretary,
with compliments.

29/4/37

THE MYSORE SILK ASSOCIATION

ಮೈಸೂರು ರೇಷ್ಮೆ ಸಂಘ

RAJASABHABHUSHANA, DIWAN BAHADUR
K. R. SRINIVASIENGAR, M. A.,
HONORARY PRESIDENT

BANGALORE CITY,

Dated, 26th April 1937

CONFIDENTIAL

Dear Mr Nathaw Rw

I am in receipt of your D.O. No.D6961 of the 15/16th instant enclosing copies of the letters of Messrs. F. L. Silva and Narayana Rao G. Naik, embodying details of their schemes for the establishment of filatures in the State as a joint stock concern and asking for my opinion in the matter.

Mr. F.L. Silva at present owns and is running two filatures—one in Bangalore and the other in Kollegal—and has therefore considerable experience of this business. He naturally wishes to take advantage of the present rise in the prices of silk to expand his business; and as he has not got sufficient funds of his own for the purpose, he proposes to form a joint stock company with adequate capital to finance the concern.

Mr. Narayana Rao Naik, though he has not had any experience of filatures in the past, has been ~~xxkxx~~ taking keen interest in the silk industry. He is the joint secretary of the Mysore Silk Association and owns a large silk throwing and weaving factory in Bangalore. He paid a visit to Japan recently and with the knowledge and information obtained by him of the conditions of the silk industry in that country is very anxious to start a filature in Mysore which, besides being a paying concern will also serve as a feeder to his throwing and weaving factory. He is an enterprising businessman with a great deal of push and energy and commands good credit in business circles.

An

~6

An attempt was made both by myself and Mr. K. Shamsuddin Khan to induce both these gentlemen to combine in starting the proposed filature, but as each of them is keen to have the managing agency of the Company it was not found possible to effect any compromise between them. Though the business is one which is of the utmost importance for the development of the sericultural industry in the State and is therefore deserving of every encouragement and support from Government, it may not be desirable for the Government to extend their patronage to more than one company of this kind at present.

Of the two applicants, Mr. Silva wants the Government to subscribe 10% of the share capital; whereas Mr. Narayana Rao Naik does not require any financial help from the Government as he seems to be quite confident of raising the required capital without the Government subscribing to any portion of it. So, from the financial point of view, Mr. Naik' application seems to be more favourable to Government. Further, I believe that it is the policy of Government not to entrust the managing agency to private individuals in concerns to which they have contributed a substantial amount of capital; and I do not know if Mr. Silva will be allowed by the Government to take up the managing agency of the company to be floated by ~~kkk~~ him if the Government were to subscribe 10% of the capital as required by him.

Yours sincerely,

Rajamantrapravina
N. MADHAVA RAO, Esq., B.A., B.L.,
Member of Council,
BANGALORE.

Appendix F G—1]

SUBJECT .....

.....

.....

Diary No. of letter replied to.....

General and Revenue Secretariat

( )

the *193* .

Date of issue 20-5-37

Signed by Mr K. Subba Rao

List of enclosures.....

Copied by .....

Examined by.....

Section Jesi

File No. 86-36

Serial No. 2

Confdl.

No. D 7775

Encls

To

The Director of P.H.

Sir,

I am directed to forward herewith copies of letters of 31st March and 6th April 1937 from messrs N. G. Nank & Co Sri Rama Sahu Thanning Factory and F. Silva of Sri Bangalore Rice Factory respectively requesting the starting of Factories in this State, and to request that the subject may be arranged to be brought up for discussion informally at the next meeting of the Sanitary Board.

I have etc

[illegible]

5.5.37

WD 0521—GPB—30,000—12-3-37

TEL. 'SRIRAMSILK' BANGALORE CITY

SHOW ROOMS: 409, AVENUE ROAD, BANGALORE CITY
37, PYCROFT'S RD. TRIPLICANE, MADRAS

SHRI RAMA SILK THROWING FACTORY

PROPRIETORS:
NARASINGASA SHALGAR

NARAYAN NAIK Co.

SHRI-RAM-BAGH
P. O. BASAVANGUDI
BANGALORE CITY

11th August, 1937.

To

The Director of Industries & Commerce,
in Mysore, Bangalore.

Sir,

In March last, I submitted an application to the Secretary to Government, Development Department, - stating that a few of my friends and myself intended forming a Joint Stock Company for starting Silk Filatures in the Mysore State. In that application, I outlined proposals for starting three Filatures in different localities in the State, commencing immediately with one of two hundred basins in a selected centre if Government were pleased to extend certain facilities. I have since studied the question in great detail and beg to be permitted to revise and amplify my scheme so as to make it more comprehensive and bring it into complete accord with the declared policy of Government in respect of Industrial deve-

lopment.

Government are aware that the establishment of Filatures is essential to the stability and even the existence of Mysore Sericulture. Unless the cocoons reared by the two lakhs of families engaged in the industry can be converted into good silk that can compete on equal terms with the best foreign silk, the industry can never be considered safe and the constructive work so far done will always be in jeopardy. If private enterprise should not be forth coming for starting filatures, Government would themselves have to do this, to save the sericulture of the State, which their fostering care has done so much to build up. I am therefore confident that my scheme for starting a filature will be viewed with generous sympathy.

The best and most beneficial way of establishing a filature is to select for operations a compact area and to concentrate attention on it, with a view to secure all-round improvement of the rearing industry which is its foundation. This includes improvement of the quality of the cocoons, reduction of cost and risk to the rearer, assistance in all his requirements including money, and the establishment of -

relations with him of mutual confidence and goodwill. For this very intensive work, close co-operations with the Sericultural Department in the following activities is necessary:- Viz.,

(1) Mulberry cultivation

(2) Seed production

(3) Supervision of rearings

(4) Formation of mulberry topes

(5) Establishment of cocoon markets.

A filature of 200 basins besides requiring a large trained staff will have to deal with 5 or 6 thousand families of rearers. It involves work of an intensive and sustained character. We propose to concentrate our activities in the tract comprised by the taluks of T. Narasipur, Malavalli, Chamarajanagar, Nanjangud and Yellandur Jaghir. Our project is to form a Joint Stock Company with a capital of 10 lakhs (of which only about a third will be issued to start with). Our first Filature is proposed to be installed at T. Narasipur, where we intend to - start operations immediately by training people, orga sing grainages, selecting rearers and winning their confidence, and planting mulberry topes wherever faci

facilities can be secured. The success of the Filature will depend essentially on the thoroughness with which this preliminary work is done; and it is for this purpose that we have prayed that the Filature Machinery now attached to the Silk Factory might be transferred to us so that we might install it at T. Narasipur forthwith.

I may be permitted to state definitely that while we ask for sympathy, support and a number of reasonable concessions from Government, we seek no money help; and that for our part we are ready to co-operate with the Department of Government in its most essential activities. I shall only add that if the zone assigned to us develops, as no doubt it will, we are prepared to install such additional Filatures as may become necessary. To give the enterprise as broad a base as possible, and to secure for it the essence of real co-operation, we propose to offer to local rearers all the inducements in our power to become shareholders.

I beg to specify below the concessions and encouragement we pray for from Government. They are self-explanatory, but I am ready to submit any additional information that may be required.

(1) Grant of a site measuring 20 acres at T. Narasipur on the bank of the Kaveri for the location of the Filature and buildings connected therewith and permission to utilise river water free.

(2) Supply of Electric Power at the concessional rate extended in case of block supply.

(3) Immediately handing over the Filature Machinery now working in Mysore to us for purposes of collection of data and training work people. Our intention is to shift it to T. Narasipur for preliminary work.

(4) Opening by Government of a reeling school at T. Narasipur with 20 scholarships for training work people.

(5) Increasing the number of aided grainages in the taluks of T. Narasipur, Nanjangud, Chamaraja Nagar, Malavalli, and Yellandur so as to bring the number to ten. We shall co-operate if necessary in finding suitable men to work the grainages, under the concessions now in force under the aided grainages rules.

(6) Strengthening the Departmental Staff in the

taluks mentioned above to ensure closer supervision of rearings.

(7) Free grant to us of un-occupied land where available upto a limit of 40 acres round each grainage for planting mulberry topes.

(8) Establishment at Government cost of mulberry nurseries at T. Narasipur, Mugur and Mangala.

(9) Rendering available the services of two officers, one for charge of Filatures and the other for the organisation of grainages and rearing for a period of two years in the first instance.

(10) An assurance that similar concession will not be granted to any other Filature in that area, namely with in the taluks of Nanjangud, T. Narasipur Malavalli, Chamarajamagar and Yellandur Jaghir.

(11) Extending Government patronage to the - Filature by purchasing from it all silk required by Government Factories at market rates.

(12) Organising a systematic test by Government for the silk produced in our Filature, and issuing

as the result of test, certificates of quality in accord with international requirements.

As there is scope in this State for at least ten Filatures of the type outlined above, our enterprise in a specific zone will not only leave plenty of scope for others but may, we venture to think,- serve as a helpful model and incentive.

I trust that the concessions asked for are - reasonable and are such as Government may readily grant in view of the importance of the object in view and I beg you to obtain the gracious sanction of - Government.

The Prospectus of the Company will be submitted in due course.

Yours faithfully,

Sericulture as a profitable industry practised in nearly ~~one and a half lakhs~~ 150 000 of village-homes in the Mysore State has for a long time been an object of the Government's special solicitude. As has been observed by the Board of Sericulture, the prosperity of this industry must ultimately depend on the conversion of the cocoons produced by rearers into high grede silk in modern filatures. ~~The State affords~~ and there is scope in the State for the establishment of a number of filatures.

2. Mr. Narayan Rao Naik a prominent silk merchant of Bangalore, has submitted to Government a scheme prepared in consultation with Mr. N. Rama Rao, Retired Director of Industries and Commerce, who has been closely associated with Mysore Sericulture for over fifteen years. The scheme comprises the promotion of a Joint Stock Company for establishing a Filature of 200 basins at T. Narasipur in the first instance, and following this up in due course with similar units at other centres in the T.Narasipur, Nanjangud, Malavalli and Yelandur taluks. The promotors state that it is an essential part of their project to improve the quality of cocoons produced in that area by adopting a comprehensive pro-

comprehensive programme including the production of good silk-worm seed, and the creation of other facilities required by rearers; and for the effective working out of that programme they seek the close co-operation of the Sericultural Department.

3. Government consider the scheme a well conceived one holding promise of success, and therefore deserving of their support. They are accordingly pleased to offer the following concessions and facilities to the proposed company:—

(1) Government will give the Company free of charge, about 10 acres of land for the construction of a Factory and other buildings if the land selected for the purpose is at the disposal of Government. In the event of private land having to be acquired for the Factory site the cost of acquisition will be borne by the Company, and the Conversion Fine in respect of this will be waived.

(2) Permission will be given to utilise water from the Cauvery for the use of the Filature, free of charge. The actual arrangements proposed for taking water will be subject to the approval of the Public Works Department.

Department. The Company will also arrange for the proper disposal of the effluent water of the factory in accordance with the instructions of the Department of Health.

(3) Electric Power will be made abailable at rates applicable to larger industrial concerns.

(4) The machinery and equipment of the Government Filature at Mysore, including Domestic Basins will be transferred to the Company at a valuation based on the present market value, (of such buildings & machinery) with reasonable deduction for depreciation, and the price so fixed will be received by Government in the shape of fully paid up shares of the Company at par. This transfer will be subject to the condition that the Company will guarantee the supply to the Government Silk Factory at Mysore of all the raw-silk required by it, at a price determined according to a formula agreed upon between the Company and Government. Government will purchase all the raw silk required for the Silk Factory and other Government concerns from the Company. This arrangement will be in force for two years in the first instance.

(5) Government will be prepared to

prepared to lend the Company the services of one or more departmental officers on the usual terms regarding payment of salary and pensionary and leave contributions.

(6) The promoters request that arrangements may be made for the systematic testing of silk produced in the Filature and the granting of certificates of quality. Pending the establishment of a Standard Conditioning House, the Sericultural Department will conduct all tests possible with existing facilities and equipment and issue certificates of the results free of charge.

(7) Government trust that the Company will, in due course, extend its activities and establish more filatures at other suitable centres in the sericultural area which it has selected for its operations. So long as the Government are satisfied with the progress made by the Company in this respect, they do not propose to give similar concessions in this area to any other concern.

Since the success of the Filature is bound up with the prosperity of the Sericultural industry as a whole, Government consider that close co-operation is necessary between the Company and

39

the Company and the Sericultural Department, especially in regard to the organisation of an adequate seed supply, the improvement of mulberry cultivation ~~of~~ and the creation of facilities to rearers. In order to ensure this co-operation Government consider it ~~necessa~~ necessary to have a Director on the Board of the Company. They ~~have~~ will also ~~wish to~~ provide for an audit of the accounts of the Company at their cost whenever they think fit. The promoters have willingly ~~agreed to~~ accepted this arrangement.

5. Government trust that the Company will be formed without delay and that it will begin active operations within a year.

"INDUSCOM"

Codes used—A.B.C., 5th Edn., Bentleys.

GOVERNMENT OF MYSORE.

Department of Industries and Commerce.

Mr. M. S. Ramchendra Rao, B.A.
Director.

OFFICE OF THE DIRECTOR,

D. O. No. Dir-277-36/37/Encone

Bangalore, dated.....11th August 1937.

My dear Sir,

I am submitting herewith for your kind perusal a copy of Mr. Narayan Rao Naik's letter of the 11th instant regarding the concessions wanted by him for the Silk Filature he proposes to establish. I am examining the several requests made by him and shall submit a considered report very shortly.

Yours Sincerely,
M S Ramchendra

Rajamantrapravina
N. Madhava Rau, B.A., B.L.,
Second Member of Council,
Bangalore.

Copy of letter dated the 11th August 1937 from Mr. Narayan Rao Naik of the Shri Rama Silk Throwing Factory, Bangalore, to the Director of Industries and Commerce in Mysore, Bangalore.

In March last, I submitted an application to the Secretary to Government, Development Department, stating that a few of my friends and myself intended forming a Joint-stock company for starting Silk Filatures in the Mysore State. In that application, I outlined proposals for starting three filatures in different localities in the State, commencing immediately with one of two hundred basins in a selected centre if Government were pleased to extend certain facilities. I have since studied the question in great detail and beg to be permitted to revise and amplify my scheme so as to make it more comprehensive and bring it into complete accord with the declared policy of Hovernment in respect of Industrial Development.

Government are aware that the establishment of Filatures is essential to the stability and even the existence of Mysore Sericulture. Unless the cocoons reared by the two lakhs of families engaged in the Industry can be converted into good silk that can compete on equal terms with the best foreign silk, the industry can never be considered safe and the constructive work so far done will always be in jeopard If private enterprise should not be forthcoming for starting filatures, Government would themselves have to do this, to save the Sericulture of the State, which their fostering care has done so much to build up. I am therefore confident that My scheme for starting a Filature will be viewed with generous sympathy.

The best and most beneficial way of establishing

... I submitted ...

... Government, Development ...

... forming a joint-stock company for starting silk filatures in the Mysore State. In that application, I outlined proposals for starting three filatures in different localities in the State, commencing immediately with one of two hundred basins in a selected centre if Government were pleased to extend certain facilities. I have since studied the question in great detail and beg to be permitted to revise and amplify my scheme so as to make it more comprehensive and bring it into complete accord with the declared policy of Government in respect of Industrial Development.

Government are aware that the establishment of filatures is essential to the stability and even the existence of ... sericulture. Unless the cocoons reared by ... two lakhs of families engaged in the industry can be converted into good silk that can compete on equal terms with the best foreign silk, the industry can never be considered safe and the ... constructive work so far done will always be in jeopardy. ... to the enterprise should not be forthcoming for ... Mysore, Government feel ... to ... the ... of the State, which their ... done so much to build up. I therefore ... it ... scheme for starting ... will be viewed ... sympathy.

...

establishing a filature is to select for operations a compact area, and to concentrate attention on it, with a view to secure all round improvement of the rearing industry which is its foundation. This - includes improvement of the quality of the cocoons, reduction of costs and risk to the rearer, assistance in all his requirements including money, and the - establishment of relations with him of mutual confi -dence and goodwill. For this very intensive work, close co-operation with the Sericultural Department in the following activities is necessary., viz., -

1. Mulberry Cultivation
2. Seed Production
3. Supervision of rearings.
4. Formation of Mulberry Topes
5. Establishment of cocoon markets.

A filature of 200 basins besides requiring a large trained staff will have to deal with five or six thousand families of rearers. It involves work of an intensive and sustained character. We propose to concentrate our activities in the tract comprised by the Taluks of T. Narasipur, Malavalli, Chamarajanagar, Nanjangud and Yelandur Jaghir. Our project is to form a joint-stock company with a capital of Ten Lakhs (of which only about a third will be issued to start with). Our first Filature is proposed to be installed at T. Narasipur where we intend to start operations immediately by training people, organising Grainages, selecting rearers and winning their confidence, and planting Mulberry Topes wherever facilities can be secured. The success of the Filature will depend essentially on the thoroughness with which this preliminary work is done; and it is for this purpose that we have prayed that the Filature machinery now attached to the Silk Factory might be transferred to us so that we might instal it at T. Narasipur forth-with.

in the following activities is necessary, viz.,-

1. Mulberry Cultivation
2. Seed Production
3. Supervision of rearings.
4. Formation of Mulberry Topes
5. Establishment of cocoon markets.

A filature of 500 basins besides requiring a large trained staff will have to deal with five or six thousand families of rearers. It involves work of an intensive and sustained character. We propose to concentrate our activities in the tract comprised by the Taluks of [illegible]

[illegible] to form [illegible] each [illegible] of Ten Lakhs (c[illegible] [illegible] [illegible] will be issued to start with. [illegible] is proposed to be instituted [illegible] are issued to start operations [illegible] by [illegible] people, or isolated trainees, receiving [illegible] their [illegible] and planting Mulberry Topes wherever facilities [illegible]. The success of the filature will depend essentially on the [illegible] with which this preliminary work is done; and it is for this purpose [illegible] have direct the Filature Machinery now [illegible] to the [illegible] [illegible] to start [illegible] so that [illegible]

I may be permitted to state definitely that while we ask for sympathy, support and a number of reasonable concessions from Government, we seek no money help; and that for our part we are ready to co-operate with the Department of Government in its most essential activities. I shall only add that if the zone assigned to us develops, as no doubt it will, we are prepared to instal such additional filatures as may become necessary. To give the enterprise as broad a base aspossible and to secure for it the essence of real co-operation, we propose to offer to local rearers all inducements in our power to become shareholders.

I beg to specify below the concessions and encouragement we pray for from Government. They are self-explanatory, but I am ready to submit any additional information that may be required.

1. Grant of a site measuring 20 acres at T. Narasipu on the bank of the Cauvery for the location of the Filature and the buildings connected therewith and permission ~~xx~~ to utilise river water free.

2. Supply of electric power at the concessional rate in case of block supply.

3. Immediately handing over the filature machinery now working in Mysore to us for purposes of collection of data and training work people. Our intention is to shift it to T. Narasipur for preliminary work.

4. Opening by Government of a reeling School at T. Narasipur with 20 Scholarships for training workpeople.

5. Increasing the number of aided grainages in the Taluks of T. Narasipur, Nanjangud, Chamarajanagar Malavalli, and Yelandur so as to bring the number to Ten. We shall co-operate if necessary in finding suitable men to work the grainages, under the concessions now in force under the aided grainages rules.

6. Strengthening the Departmental staff in the Taluks mentioned above to ensure closer supervision of rearings.

7. Free grant to us of unoccupied lands where available upto a limit of 40 acres round each

I may be permitted to state definitely that while we ask for sympathy, support and a number of reasonable concessions from Government, we seek no money help; and that for our part we are ready to co-operate with the Department of Government in its most essential activities. I shall only add that if the zone assigned to us develops, as no doubt it will, we are prepared to install such additional filatures as may become necessary. To give the enterprise as broad a base as possible and to secure for it the essence of real co-operation, we propose to offer to local resorts all investments in our power to become shareholders.

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1. Grant of a site measuring 20 acres at [illegible] on the bank of the Canvery for the location of the filature and the buildings connected therewith and permission ex to utilise river water free.

2. Supply of electric power at the concessional rate in case of block supply.

3. [illegible] gratuitously handing over the filature machinery [illegible] owning in Mysore to us for purposes of [illegible] section of dated and training work people. [illegible] Industries is to apply it to [illegible] Marsalpur for practical [illegible] work.

4. [illegible] sanctionment of a reeling School at [illegible] 50 scholarships for training [illegible].

5. [illegible] increasing the [illegible] reduced rebates in the [illegible] and Yelandur [illegible] the [illegible] rebate to 10%. We shall co-operate if necessary in fixing [illegible] men to work the rebates, [illegible] for in force under the [illegible] charges.

6. [illegible] during the Departmental visit in the [illegible] tioned above to enable closer examination [illegible].

7. [illegible] grant [illegible] unoccupied lands where [illegible] available [illegible] 40 acres round each

each grainage for planting mulberry topes.

8. Establishment at Government cost of mulberry nurseries at T. Narasipur, Mugur and Mangala.

9. Rendering available the services of two officers one for charge of filatures and the other for - the organisation of grainages and rearing for a period of two years in the first instance.

10. An assurance that similar concessions will not be granted to any other filature in that area, namely within the Taluks of Nanjangud, T. Narasipur, - Malavalli, Chamarajanagar and Yelandur Jaghir.

11. Extending Government patronage to the Filature by purchasing from it all silk required by Govt., Factories at market prices.

12. Organising a systematic test by Government for the silk produced in our filature, and issuing as the result of test, certificates of quality in accord with international requirements.

As there is scope in the State for at least ten filatures of the type outlined above, our enterprise in a specific zone will not only leave plenty of scope for others but may, we venture to think, serve as a helpful model and incentive.

I trust that the concessions asked for are reasonable and are such as Government may readily grant in view of the importance of the object in view and I beg you to obtain the gracious sanction of Government.

The prospectus of the company will be submitted in due course.

***

" COPY "

Director.

[illegible]

[illegible]

[illegible]

10. [illegible] grant to it [illegible] concessions will not be granted to any other filatures in that area, [illegible] within the limits of Hangzhou, T. Maresburt, - Havelli, Chemretenager and Telendur Jagdir.

11. Preventing Government patronage to the Filature by purchasing from it all silk required by Govt., Factories at market prices.

12. Organising a systematic test by Government for the silk produced in our filature, and issuing as the result of test, certificates of quality in accord with international requirements.

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I trust that the concessions asked for are reasonable and are such as Government may readily grant in view of the importance of the object in view and I beg you to obtain the gracious sanction of Government.

The prospectus of the company will be submitted [illegible] course.

***

906

GOVT. OF MYSORE
14 AUG. 1937
DEVELOPMENT BRANCH

12th August

D.O. 25.

Dear Mr. Ramachandra Rao,

I write to acknowledge with thanks the receipt of a copy of Mr. Narayan Raoix Naik's letter regarding certain concessions wanted by him for the silk filatur he proposes to establish, sent with your D.O. letter No.D_4-277/36-37 dated 11th August 1937.

Yours sincerely,

M.S. Ramachandra Rao, Esq., B.A.,
Director of Industries and Commerce,
Bangalore.

Memo no. 25-1.

Forwarded with compliments to the Development Secretary to Government.

13.8.37

14.8.37

Tele {Phone No.—211
Grams —INDUSCOM.

In reply please quote number, date & short title

1534

GOVERNMENT SECRETARIAT
16 SEP 1937
DEVELOPMENT BRANCH

GOVERNMENT OF MYSORE

DEPARTMENT OF INDUSTRIES AND COMMERCE.

From (Name) M.S.Ramchendra Rao, Esq., B.A.,

(Designation) Director of Industries & Commerce in Mysore,

Station Bangalore.

To

M.Venkatanaranappa, Esq., B.A.,
Secretary to the Government of Mysore,
Development Department,
Bangalore.

No. D4-292/36-37. Dated 15th Septr 1937.

Enclosures...One.

Seri 86-36-3.

SIR,

With reference to your letter No.D.7775/Seri.86-36-2 dated 18/20th May 1937 forwarding copies of letters dated 31-3-1937 and 6th April 1937 from Mr. N.G.Naik of Sri Rama Silk Throwing Factory and Mr. Silva of Bangalore Silk Filature respectively, requesting Government assistance to establish Silk Filatures and directing that the subject may be brought before the Board of Sericulture for an informal discussion, I have the honor to state as follows:-

The two applications were considered by the Sericultura Board at their meeting held on the 12th July 1937 and it was resolved that as the production of high grade silk in Mysore State has to be encouraged in the interest of the Silk Industry and as there is scope in Mysore for starting a number of filatures, the same encouragement may be given by the Government to people who wish to start and work filatures, keeping in view the need of each locality.

Since the subject was considered by the Sericultural Board, the question of the extent and form of assistance that may be afforded by the Government to private persons who undertake to establish silk filatures has been carefully

p.t.o

examined by me. Of the two present applicants, Mr. Silva is understood to have, subsequent to his application, approached the Government of Madras for financial assistance for establishing a Filature at Kollegal. His idea is to extend and develop the Filature, consisting of about 40 basins, which he has been working at Kollegal by amalgamating with it, the filature consisting of about 60 basins, he also owns at Bangalore ~~so as~~ and to have a filature consisting of 150 basins and to work it at Kollegal. I understand that the Government of Madras have since promised that they would subscribe 10% of the share capital, amounting to about Rs.17,000/- of the proposed filature at Kollegal. It was, perhaps, in view of the negotiations that he was carrying on with the Madras Government that Mr. Silva has not pressed his application for assistance from the Mysore Government. His application, therefore, need not be considered now.

As regards the other application of Mr. N.G.Naik of the Sri Rama Silk Throwing Factory, I have, after I took over charge of the Department, discussed the question in detail with Mr. N.G.Naik and Mr. N.Rama Rao, Retired Director of Industries and Commerce who is actively assisting and advising Mr. Naik in promoting the ~~xx~~ enterprise. Their idea is to start one filature in the first instance at T.Narasipur consisting of 200 basins, keeping in view the starting of two or three more units in the area comprising T.Narasipur, Nanjangud, Chamarajnagar, Malavalli and Yelandur taluks in course of time. As a result of the discussions, Mr. Naik has slightly revised the terms and conditions originally asked for by him. His revised application dated the 11th August 1937 is submitted for the perusal of Government.

(next page)

While considering the application of Mr. N.G.Naik, it seems to me to be desirable to envisage the possibilities of other private persons coming forward with applications for Government assistance to start similar concerns and to indicate generally the extent and form of help which Government would be prepared to afford in such cases. I have considered the matter carefully from this point of view and beg to recommend that the following terms and conditions may generally be granted to private enterprise coming forward to establish silk filatures in the State:-

1. Government need not guarantee that any part of the Share Capital of such concerns will be subscribed by them.

2. Land up to an extent of 10 acres for each filature of 200 basins for constructing factory buildings etc., may be granted free of cost if Government land is available in the places where such filatures are to be located. This extent should be sufficient for establishing a small mulberry plantation also as an adjunct to the Filature. If Government land is not available, Government may acquire private lands to the above extent at the cost of the concessionaire and waive the levy of fine for conversion of agricultural lands to non-agricultural purposes.

3. Electric power at concession rates applicable to large industrial concerns may be supplied provided that power supply is available at the site of the Factory.

4. For purposes of granting the concessions and with a view to avoiding unhealthy competition, Government may reserve power to regulate the establishment of filatures by means of zoning and fixing the number for each zone.

(next page)

5. Raw silk required by the Government Factories may be purchased from the Filatures as far as possible provided that the quality is satisfactory and the rates reasonable.

6. Government may agree to have the raw silk produced in such filatures tested, without charging any fee, by the Department of Sericulture as far as facilities are available and issue test certificates, pending the establishment of a fully equipped conditioning and testing house.

7. Government may reserve power to nominate two Directors in cases where companies are formed to run such filatures.

8. The concessions may be withdrawn if they are not utilised and reasonable progress shown within one year from the date of granting them.

Keeping the above general considerations in view, I have examined the several requests for assistance made by Mr. N.G.Naik and I submit the following proposals for the consideration and orders of Government:-

CONCESSIONS ASKED FOR BY MR. NAIK.

1. Grant of site measuring 20 acres at T.Narasipur etc., and permission to utilise the river water free of charge.

CONCESSIONS THAT MAY BE GRANTED BY GOVERNMENT.

a) Lands to the extent of 10 acres may be given free of cost if Government land is available at the place where the filature will be located. Otherwise, private lands to the extent of 10 acres may be acquired at the cost of the factory - levy of revenue fine in the case of agricultural lands being waived.

b) Permission may be granted to utilise water from Cauveri required for filature use free of cost, subject

next page)

subject to the approval of the Public Works Department to the actual arrangements proposed for taking the water. The factory should also make arrangements for the disposal of the effluent water in accordance with the instructions given by the ~~Public Works~~ Department of Health.

2. Supply of Electric power at concessional rate etc.

The usual concessional rates applicable to large industrial concerns for block supply of electric power will apply to the factory also. As regards carrying power to the factory site, arrangements will have to be made by the factory with the Electrical Department.

2. Transfer of the machinery of the Govt. Filature.

The machinery of the Government Filature at Mysore, including domestic basins installed therein, may be transferred to the Company at a reasonable valuation, subject to the following conditions:-

i) that the Company will guarantee uninterrupted supply of silk required by the Government Silk Weaving Factory;

ii) that as regards the prices to be paid for the silk, the following formula will be adopted:-

16 Renditta multiplied by average price per pound actually paid for cocoons by the Company during the month, plus Rs.2/- per pound towards the reeling charges for 13/15 denier, and Rs.1-12-0 per pound for 28/30 denier.

NOTE:- The renditta and reeling charges assumed are based on results actually attained by the Government Filature.

iii) that the above arrangement will be in force for a period of two years subject, however, to reconsideration earlier if other filatures come into existence.

4. Opening by Govt. of a Reeling school etc.

Ten scholarships may be instituted for training of students in reeling. All other expenses involved in the

training will have to be borne by the Company. The period of training will be three months. There will be no binding on the part of the students trained to work for the company. The cost to Government on this account shall not exceed Rs.600/- per year, the rate of scholarship being Rs.5/-. This arrangement to be in force for a period of two years. Similar scholarships were instituted when Mysore Domestic Basins were sold to private persons.

.Increasing the number of Aided Grainages to 10.

As the policy of Government is to increase the number of aided grainages according to the needs of each locality, there is no need to agree to this. There are already two Government and three Aided Grainages in this area and two more Aided Grainages will be started in the near future.

.Strengthening the Departmental staff.

As the policy of Government is to strengthen the staff according to the needs of the locality, there is no need to specify this as a concession.

.Free grant of un-occupied lands to the extent of 400 acres for - growing mulberry plantations.

There is no need for the grant of this concession as private people can always be granted land on "Shraya" tenure under the existing rules and a scheme for the grant of bonus to private persons for rearing mulberry topes is also in force.

.Establishment at Government cost of mulberry - nurseries etc.

Nurseries for saplings and seedlings have already been established by Government at Mugur and Mangala. These will be further extended. There is no need to include this among the concessions to be granted.

Rendering available, the services of two officers of the Sericultural Department.

The services of two officers, one for working the filature and another for the organisation of supplies to the filatures may be lent - the company bearing all costs on that account.

10. An assurance that similar concessions will not be granted to other concerns.

There is room for at least five filatures of 200 basins each in this locality alone. If the company starts only one filature of 200 basins, the needs of the locality will not be fully satisfied. A reasonable time limit, say five years, may be fixed, within which period the Company should make arrangements to adequately serve the needs of the area and until the expiry of that period similar concessions may not be granted to others to start filatures in this area.

11. Extending Government patronage to the silk produced in the Filature.

This may be granted provided the quality of the raw silk is satisfactory and the rates reasonable; but as other filatures may also be started, Government need not agree to bind themselves to buy all their silk from the Company alone.

12. Testing of silk and issue of certificates.

The Sericultural Department is not equipped to conduct all the tests in accordance with international standards and to start a conditioning house with all the equipment would cost a heavy sum. Government may agree to conduct all the tests that are possible with the facilities now available in the Sericultural Department and to issue certificates without charging any fees.

It will be seen from the above that the more important concessions Messrs. N.G.Naik want are the grant of free site and the transfer of the Government Filature to them on certain conditions. Their other requests are really not in the nature of concessions, but only assurances indicative of the moral support which Government are prepared to extend to the enterprise.

In this connection I beg to refer to one other request which, though it does not find a place in the first application, Messrs.Naik and N.Rama Rao put forward to me in the course of my discussions with them. I have stated above that I have information that the Government of Madras would appear to have promised Mr. Silva to take 10% of the share capital he wishes to raise for extending his filature at Kollegal. I am also given to understand that in the prospectus that Mr.Silva has issued, he has mentioned this fact. While Messrs. N.G.Naik and N.Rama Rao have no desire to request Government for any such financial assistance, yet they consider that it would be of great assistance to them if Government can see their way to make a gesture, however small, by taking a small proportion of the shares of the Company they propose to start. It is proposed to fix the share capital of the company at Rs.10 lakhs, but for the present, shares to the extent of only four lakhs for establishing one filature of 200 basins at T.Narasipur are to be issued. I beg to commend this request of theirs for the sympathetic consideration of Government. I would suggest that Government may purchase Rs.10,000/- worth of shares, which would amount to their subscribing 2½% of the share capital to be issued by the proposed Company.

Messrs. Naik and Rama Rao are anxious to start making arrangements for starting the filature without loss of time so as to take advantage of the prevailing favourable conditions. They are quite hopeful of securing all the capital they require within a short time of issuing the prospectus and I am satisfied that they can make their venture a success.

I now request you to be so good as to place the above proposals before Government and communicate their orders to me.

I have the honor to be,

S i r,

Your most obedient servant,

DIRECTOR.

ATR/4.

Enclo: One application dated 11th August 1937 from Mr.N.G. Naik.

Agri 86-86-4

Prpceedings of the Government of His Highness the Maharaja of Mysore.

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12 copies

Read:-

Correspondence ending with letter No.D4. 292-36 dated 15th September 1937 from the Director of Industries and Commerce communicating the resolution passed by the Board of Sericulture regarding the assistance to be given by Government to people who wish to start and work Filatures, and submitting his proposals in the matter.

Order No. D 3497-504

Dated Bangalore, 10 & Nov 1937

This order was withdrawn and a revised G.O. issued - vide G.O. No. 4 DS 9-66 dated 30.4.1938

As has been observed by the Board of Sericulture, the ultimate prosperity of the silk industry must depend on the production of high grade raw silk in modern filatures and there is scope for starting a number of such filatures in the sericultural tracts of the State. Mr. Narayana Rao Naick of Sri Rama Silk Throwing Factory has, in consultation with Mr.N.Rama Rao retired Director of Industries and Commerce, submitted proposals for the promotion of a joint stock company for establishing a filature consisting of 200 basins at T.Narsipur in the first instance, and of starting in due course two or more similar units in the ~~area comprising~~ T. Narsipur, Nanjangud, Chamarajanagar, Malvalli and Yelandur taluks. The promoters state that ~~in the tract selected for their operations they would~~, in addition to starting a filature, ~~try~~

it is their intention to secure all round improvement in the rearing branch of the industry as well, by establishing personal contacts with sericulturists and working in close co-operation with the Department of Sericulture

2. Government consider that the scheme put forward is, on the whole, suitable and deserving of support, and they are accordingly pleased to offer the following concessions and facilities to the proposed company:-

(1) Government will subscribe Rs.10,000 (or Rs.15,000) towards the share capital. This will include the cost of equipment of the Government Filature to be transferred to the Company.

(2) Government will give the Company, free of charge, about 10 acres of land for the construction of ~~the~~ a factory and other buildings if the land selected for the purpose is at the disposal of Government. In the event of private land having to be acquired for the factory site the cost of the acquisition will be met by the Company. The "conversion fine" in respect of that portion of the land which is used for the factory and other buildings will be waived.

(3) Permission will be given to utilise water from the Cauvery for the use of the Filature, free of charge. But the actual arrangements proposed for taking water will be subject to the approval of the Public Works Department. The Company will also arrange for the proper disposal of the effluent water of the factory in accordance with the instructions ~~given by~~ of the Department of Health.

(4) Electric power will be supplied at the concession rates applicable to large industrial concerns when power becomes available at T.Narsipur.

(5) The machinery and equipment of the Government Filature at Mysore, including the domestic basins installed therein, will be transferred to the Company at a reasonable valuation, subject to the following conditions, viz.-

(a) that the Company will guarantee the regular supply of silk in quantities required by the Government Silk Weaving Factory;

(b) that the prices to be paid for the silk will be settled according to a formula agreed upon between the Company and Government, and

(c) that the arrangements for the purchase of silk will be subject to reconsideration at the end of two years, or earlier if new filatures come into existence.

(6) Government will be prepared to lend the Company the services of one or more departmental officers ~~under~~ on the usual terms regarding payment of salary and pensionary and leave contributions.

(7) The promoters request that arrangements may be made for the systematic ~~test~~ testing of silk produced in the Filature and issue certificates of quality. In the absence of a well equipped conditioning house, it is not possible for the Sericultural Department to conduct all the required tests in accordance with the international standards and t issue certificates of quality. ~~The Department~~ will, however, endeavour to make such tests as the available facilities permit and certify the

results without charging any fees.

3. Government trust that it will, in due course the Company extend its activities and establish more filatures at other suitable centres in the sericultural area which it has selected for its operations. So long as the Government are satisfied with the progress made by the Company in this respect, they do not propose to give similar concessions in this area to any other concern.

4. The grant of the aforesaid concessions and facilities will be subject to the following conditions, viz.,

(a) that one of the nine Directors will be nominated by Government,

(b) that it will be open to Government to cause the accounts of the Company to be audited and inspected by their officers at their own cost, and

(c) that the Company will be formed and begin active operations within a period of one year.

Secretary to Government,
Development Department.

The Director of Industries and Commerce,
The Director of Sandal Oil Factory,
The Deputy Commissioner, Mysore District,
The Revenue Commissioner in Mysore
The Chief Electrical Engineer in Mysore,
The Chief Engineer of Mysore,
The Comptroller, Mysore Govt., Thro' Finl. Sectt
.. Dir. of Health.

TEL. 'SRIRAMSILK' BANGALORE CITY

Shri Rama Silk Throwing Factory

PROPRIETORS:
NARASINGASA SHALGAR
&
NARAYAN NAIK CO.

SHRI-RAM-BAGH
P. O. BASAVANGUDI
BANGALORE CITY

19th Nov., 1937.

M. Venkatanaranappa, Esq., B.A.,
Secretary to Government,
Devalopment Department,
BANGALORE.

Dear Sir,

With reference to our proposal to promote a Joint Stock Filature Company, Mr. Narayan Rao Naik and myself informed the Dawan in the course of our interview with him at Mysore that we were prepared to reduce the remuneration for the Industrial Adviser and the Managing Agents by Rs. 50 and Rs. 100 per mensem respectively. I agreed to take Rs. 150/- instead of Rs. 200/- per mensem as Industrial Adviser and Mr. Narayan Rao promised on behalf of the Managing Agents to receive Rs. 400/- instead of Rs. 500 per month as first proposed.

I am submitting this letter to you in order that the fact may be on record.

Yours sincerely,

N Rama Rao

SRIRAMSILK' BANGALORE CITY

Shri Rama Silk Throwing Factory

PROPRIETORS:
NARASINGASA SHALGAR
&
NARAYAN NAIK CO.

SHRI-RAM-BAGH
P. O. BASAVANGUDI
BANGALORE CITY

23rd Nov 1937

The Secretary
To Government of Mysore
Development Department,
BANGALORE.

Dear Sir,

I submit herewith the Draft of the Prospectus of the Mysore Filatures, Ltd. It has been prepared on the basis of the understanding reached in our interview with the Dewan and the Second Member of Council.

Yours Sincerely,

N Rama Rau

THE MYSORE SILK FILATURES, LIMITED.

(Incorporated under the Mysore Companies' Regulation VIII of 1917.)

AUTHORISED CAPITAL:- Rs. 10,00,000/- divided into 1,00,000 Shares of Rs.10/- each.

PRESENT ISSUE:- 40,000 Shares of the value of Rs. 4,00,000/- payable as - follows:-

Rs. 2-8-0 on Application.

Rs. 2-8-0 on Allotment.

and the balance in two calls of Rs.2-8-0 each, as and when required at intervals of not less than three months after - allotment.

Out of the above issue, the Directo and their friends have agreed to take .... Shares and will be fully allotted. - The Government of Mysore have promised to take in Shares the value of the - Filature plant (to be assessed here- after) which they have kindly agreed to transfer to the Company.

DIRECTORS.

1. N. Rama Rao, Esq., B.A., B.L., Director of Industries & Commerce in Mysore (Retired) Chamarajapuram, Mysore. (CHAIRMAN)

2. Seth Jeevanlal Chunnilal, of Messrs. Nagindas Fulchand Chinai, Silk Merchants, Bombay.

3. Srimathi D. Sakamma,
Bangalore City.

4. S.V. Srinivasa Setty, Esq.,
Silk Merchant,
Bangalore City.

5. M. Basavanna Devaru, Esq.,
Director, The Mysore Spun Silk Mills,Ltd
Silk Merchant, and Sowcar,
Mamballi.

6. F.M. Abdul Quddus, Esq.,
Director, The Mysore Spun Silk Mills,Ltd
Silk Merchant,
Channapatna.

7. Government Director.

8. Narayan Rao Naik, Esq., (EX-OFFICIO)

9. G. Krishna Swamy, Esq., (")

BANKERS.

1. Imperial Bank of India.

2. The Bank of Mysore, Ltd.,

3. The Indian Bank, Ltd.,

LEGAL ADVISORS.

K.V. Subba Rao, Esq., M.A., LL.B.,
Advocate, Chickpet,
Bangalore City.

AUDITORS.

S.R. Mandre, Esq., B Com LLB etc.
Incorporated Accountant and Auditor,
Nagarthpet,
Bangalore City.

MANAGING AGENTS.

Messrs. Naik & Co.

REGISTERED OFFICE.

1. The Mysore Silk Filatures, Ltd., has been formed for the purposes mentioned in the Memorandum of Association and in particular for establishing and carrying on the business of silk filatures for reeling high grade silk and conducting all operations connected with and subsidiary to the said manufacture and its disposal.

2. The Company is governed by its - Articles of Association.

3. The Company has been incorporated in Mysore under the Mysore Companies' Regulation of 1917 on and has not at present established any place of business in British India or within the limits of the C.& M Station, - Bangalore. The Copies of the Articles of Association and the Mysore Companies Regulation and of the Agreements referred to in this Prospectus can be inspected at the Office of their Bankers and the Registered Office of the Company.

4. Mysore is admirably suited for the silk industry by soil, climate and other conditions and produces more than half the total output of Indian Silk. Nearly a half of the mulberry area in the State is concentrated in the taluks of T. Narasipur, Nanjangud, Chamaraj Nagar, Yelandur,

Yelandur, and Malavalli, which is the region selected by the Company for its operations to start with

5. There is in India a large and ever-growing demand for high grade silk, and since as at present a sufficient supply of filature silk is not produced in the country, very large quantities are imported from abroad. The Government of Mysore have now sufficiently demonstrated the feasibility of producing in Mysore, silk of high quality capable of being manufactured into the most beautiful and delicate fabrics. To enable Indian Silk industries to make head against foreign competition (the Mysore Government have secured for it) some measure of protection (from) the Government of India. has been accorded by

6. Thanks to the fostering care of the Government, there is in Mysore a well organised silk-worm-rearing - industry. Mysore cocoons are of excellent quality and Mysore Silk is renowned for lustre, strength and beauty; but as unfortunately the reeling is done at present by hand in primitive appliances these natural advantages are to a great extent sacrificed. The lack of filatures leaves a gap through which foreign silk flows into country.

~~The lack of filatures leaves a gap~~

Therefore, what the industry requires immediately is the establishment of modern filatures and the work hitherto done has prepared the ground for successful enterprise in this direction.

7. The Government of Mysore are naturally deeply interested in this necessary step. To pioneer the industry they installed a Filature unit in Mysore which has done excellent work in establishing the prestige of Mysore Silk. Government have now issued an Order G.O. No.

dated sanctioning generous and valuable concessions to this Company for starting Filatures. These concessions include the transfer to the Company of the Government Filature Unit ~~to the Company~~, and the acceptance of its value in the form of Shares. The Company will enjoy the cordial co-operation of the Sericultural Department, to ensure which, Government have agreed to nominate one of their Officers to the Board. The Company will also have assistance in audit of accounts. The concessions granted are summarised below, and Government have declared that similar concessions will not be granted to others in the same area:-

(1) Government will give for the Factory free of charge and without conversion fine, ten acres of Government land

land if available. If Government land is not available, (Government) will acquire (the land) for the Company at its cost.

(ii) Permission will be granted to utilise water from the Cauvery for the Filature free of charge.

(iii) Electric power will be made available (at rates) applicable to large industrial concerns.

(iv) The Filature Unit at Mysore will be transferred to the Company and its value will be accepted in the form of Shares in the Company.

(v) Government will purchase from the Company all the silk required for the Government Silk Factory and their other concerns for a period of two years in the first instance.

(vi) Government are prepared to lend the services of one or more officers if required by the Company.

(vii) The silk produced in the filature of the Company will be tested by the Department of Government and certificates of quality will be granted free of charge. This means that the Company's production will go into the market with an authoritative assurance of quality.

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(viii) Government have declared that they do not propose to give similar concessions to any other concern in the taluks of T. Narasipur, Nanjangud Chamarajanagar, Malavalli and Yelandur. These are substantial concessions and to effectuate them, close co-operation of Government is assured by their having a representative on the Board.

FACTORY.

8. The rich sericultural tract comprised by the taluks of T. Narasipur, Nanjangud, Chamarajanagar, Yelandur and Malavalli has been selected for the Company's operations. To begin with, a Filature of 200 basins will be established at T. Narasipur on the Bank of the Cauvery. The region selected contains a compact area of nearly 20,000 acres of mulberry cultivation. It enjoys the advantages of

(1) Plentiful supply of water.
(2) Abundant supply of good quality cocoons.
(3) Skilled rearers, and
(4) Competent labour.

It is also well served with Government Sericultural Institutions and aided grainages. The Company intends starting many more aided grainages as may be required with the help of the Dept.

9. The ready sale of our bye-product viz., silk-waste, at adequate prices is assured as silk waste is the raw - material for the Spun Silk Mills, which

which are already established in Mysore. This reduces the cost of production, and the business relation thus established with another important sericultural - Factory will be mutually advantageous.

10. There is a ready market for the - whole production of the Filatures. In fact, the demand for high grade silk in all parts of India is so great compared to indigenous production that about - 2,000,000 pounds of foreign filature silk have at present perforce to be imported. The market is therefore actually waiting for us, not merely for the present unit, but also for the other Filatures intended to be started by the Company.

11. ~~The~~ World events, particularly in the Far East, indicate this as the opportune moment for the establishment of this industry and give it every prospect of success.

12. The immediate transfer of the Government Filature will enable the Company to begin work at once with the advantage of good connections.

ESTIMATED CAPITAL COST.

13. It is estimated that the Factory complete with all its equipment and all necessary buildings, preliminary expenses and underwriting concessions, will cost

will cost approximately Rs. 2,00,000/- leaving the balance for working capital.

14. On a total production of 85,000 pounds per year, the net profit of the Company is estimated to be about Rs. 60,000/- which works out to about 15% on the paid-up capital after providing for depreciation and expenses of management, etc., When further Units are added on, the return will naturally be much higher.

15. The Company has been fortunate in securing the services of Mr. N. Rama Rao, as Chairman. As Superintendent of Sericulture in Mysore for over 10 years and since then as Development Secretary to Government and Director of Industries and Commerce, he was closely connected with the Sericulture industry and took a prominent part in successfully urging the case for protection of Indian silk before the Tariff Board. His administrative experience and knowledge of the subject will make his services a valuable asset in starting and developing Filature industry on sound lines.

16. Mr. N.G. Naik, the principal partner of the Managing Agents Firm, Messrs. Naik & Co., comes from a family connected for the last 3 generations with the industry and has himself 25 years' experience of silk trade in all its -

in all its branches. He established in Bangalore and has been successfully working for the last 10 years, one of the biggest silk throwing and weaving factories in India, viz., SHRI RAMA SILK THROWING FACTORY. He has built up influential connections all over India for the sale of silk and silk products. He visited Japan last year for the express purposes of studying at first hand modern Filatures and allied industries. Thus the manggement is in competent hands.

17. It is a distinct advantage that no promotion money is claimed or will be paid.

18. The minimum subscription on which the Directors may proceed to allotment is 2500 shares of the face value of - Rs. 25,000/-. ~~The~~ This has been already subscribed and the Company will go into allotment immediately.

19. The following agreements will be effected.

(a) The Articles of Association provide for Managing Agents and the following agreements will be entered into with the Managing Agents on behalf of the Company.

The Agreement made between the Company of the one part and Messrs. Naik & Co., of the other part whereby

whereby it has been provided, that -' Messrs. Naik & Co., or their successors or their assigns in business shall be the Managing Agents of the Company from the date of Registration. The remuneration of the Managing Agents under this Agreements is fixed at an allowance of Rs. 400/- per month, and (2) a commission on net profits as therein defined on the paid-up capital.

(i) When the profits are from 6% to 10% they will draw a commission of 10%

(ii) Above 10% they will draw a commission of 12½%.

(iii) Unless the Company makes a net profit of 6 % on the paid-up capital, the Managing Agents draw no Commission.

(b) An agreement will be entered into with Mr. N. Rama Rao, appointing him Industrial Adviser for a term of 5 years on a retainer of Rs. 150/- per month.

DIRECTORS QUALIFICATION.

20. The Qualification of a - Director other than Government Director shall be the holding in his own right a minimum of 250 shares of the nominal value of Rs. 2,500/-. The sitting fees of the Directors shall be Rs. 20/- for every meeting of the Board attended

attended by them. Travelling expenses will also be paid to Directors.

21. The Articles of Association provide that the number of Directors shall not be less than five and not more than eleven including Government Directors and also the Ex-Officio Directors, nominated by the Managing Agents, who by the terms of the above agreement are entitled to be represented on the Board, and are not liable to retire by rotation.

Mr. N. Rama Rao is by virtue of the Articles of Association, the Chairman of the Board of Directors in the first instance, for a period of five years and is not liable to retirement during the said period.

22. Except the Ex-Officio Directors and the Chairman, the Directors have no interest in the promotion of the Company. The two Ex-Officio Directors Mr. N.G. Naik and Mr. G. Krishna Swamy and the Chairman Mr. N. Rama Rao are interested to the extent set forth in the Agreements.

23. Preliminary Expenses, incidental to the formation of the Company, are estimated at Rs. 7,500/- exclusive of brokerage and underwriting commission

commission and shall be paid by tl Company. Brokerage not exceeding two annas per share will be paid on applications received through approved brokers. Underwriting Commission not exceeding 2% may also be paid .

VOTING RIGHTS.

24. On the show of hands every member present shall have one vote. Upon a poll, every member present in person or proxy, shall have one vote in respect of every share held by them in the Company, three months previous to the General Meeting upto ten Shares , and one additional vote for every completed five shares in excess of ten upto 100 shares, and above one hundred shares one additional vote for every ten shares in excess of one hundred subject to a maximum of 50 votes.

25. Application for shares should be ~~paid~~ made upon the form accompanying this Prospectus and forwarded direct to one of the Company's Bankers together with the remittance of the application money. This issue of shares is subject to the condition that the certificate of the Shares may not be completed and ready for delivery until four months after the allotment of the Shares.

26. Where no allotment is made, the deposit money will be returned in full, and where the number allotted is less than the number applied for, the balance of deposit will be credited towards the amount payable on allotment.

27. Failure to pay any future installments on Shares when due will render the Shares liable to forfeiture.

28. The Memorandum of Association forms part of this Prospectus and is included in the folder. Copies of the Articles of Association and the Agreements referred to above can be inspected at any time during the business hours at the Office of the Company and the Bankers.

29. Copies of the Prospectus and forms of application can be obtained from the Company's Bankers or at the Office of the Company.

CONFIDENTIAL.

SHRI RAM.

THE MYSORE SILK FILATURES, LIMITED.

(Incorporated under the Mysore Companies' Regulation VIII of 1917).

AUTHORISED CAPITAL:--Rs.10,00,000/- divided into 10,000 Shares of Rs.10/- each.

PRESENT ISSUE:-- 40,000 Shares of the value of Rs.4,00,000/- payable as follows:--

Rs.2-8-0 ON APPLICATION,

" 2-8-0 ON ALLOTMENT.

and the balance in two calls of Rs.2-8-0 each, as and when required at intervals of not less than three months after allotment.

Out of the above issue, the Directors and their friends have agreed to take Shares and will be fully allotted. The Government of Mysore have taken 1,500 Shares and 2,500 Shares have been specially reserved for sericulturists and rearers. The remaining Shares are offered for public subscription.

DIRECTORS.

1. N. Rama Rao, Esq., B.A., B.L.,
   Director of Industries & Commerce
   in Mysore (Retd).,
   Chamarajapuram, Mysore.

2. Seth Jeevanlal Chunnilal Chinai of
   Messrs. Nagindas Fooldchand Chinai,
   Silk Merchants,
   BOMBAY.

3. P. R. Mehta, Esq., B.A.,
   Member of Royal Institute of Agriculture,
   (England),
   Retd., Settlement Officer,
   Bombay Government,
   Bangalore.

4. Alagoppa Chettiar, Esq.,
   Director, The Indian Bank, Ltd.,
   etc. etc. etc.

5. M. Basavanna Devaru, Esq.,
Director, The Mysore Spun Silk Mills, Ltd.,
Silk Merchant, & Sowcar,
Mamballi.

6. F. M. Abdul Quddus, Esq.,
Director, The Mysore Spun Silk Mills, Ltd.,
Silk Merchant,
Channapatna.

7. Government Director.

8. Government Director.

9. Managing Agents. N.G. Naik, Esqr.

10. Managing Agents.

LIBRARY

BANKERS.

1. Imperial Bank of India,
2. The Bank of Mysore, Ltd.,
3. The Indian Bank, Ltd.

LEGAL ADVISORS.

K. V. Subba Rao, Esq., B.A.,LL.B.,
Advocate,
Chikpet, Bangalore City.

AUDITORS.

S. R. Mandre, Esq.,
Incorporated Accountant & Auditor,
Nagarathpet,
Bangalore City.

MANAGING AGENTS.

Messrs. Naik & Co.,

REGISTERED OFFICE.

The Mysore Silk Filatures, Ltd., has been formed for the purposes mentioned in the Memorandum of Association and in particular for the purposes of establishing and carrying on the business of silk filatures for reeling high grade silk and all

operations connected with and subsidiary to the said manufacture and its disposal.

2. The Company is governed by its Articles of Association.

3. The Company has been incorporated in Mysore under the Mysore Companies' Regulation No.VIII of 1917 on and has not at present established any place of business in British India or within the limits of C. & M. Station, Bangalore. The copies of the Articles of Association and the Mysore Companies' Regulation and of the Agreements referred to in this Prospectus can be inspected at the Office of their Bankers and the Registered Office of the Company.

4. Mysore is admirably suited for silk industry by its soil, climate and other conditions for rearing silk worms and produces more than half the Indian silk, which is at present mostly hand reeled.

5. The demand for high grade silk is rapidly increasing, the result of which has been the importation of foreign silk for want of sufficient Indian filature silk. The Government of Mysore have already sufficiently demonstrated the possibilities of producing economically high grade filature silk. Added to this, the Government of Mysore and the Mysore Silk Association have secured some protection from the Government of India for the Indian silk.

6. The next necessary step is to

establish up-to-date silk Filatures for reeling high grade silk on a large scale.

7. The Government have evinced great interest in this development and have been pleased to grant valuable concessions. They have also subscribed to the Share Capital. The concessions are set forth in the Government Order appended.

FACTORY.

8. It is intended to start filatures in all suitable localities in the Mysore State. To begin with, a filature of 200 basins will be established at T. Narasipur in the Mysore District on the bank of the Cauvery. The region selected contains distributed a compact area of nearly 20,000 acres of mulberry cultivation. It emoys the advantages of

1. Plentiful supply of water,
2. Abundant supply of good quality cocoons,
3. Skilled rearers, and
4. Competent labour.

It is also well served with Government Sericultural Institutions and aided grainages.

9. The sale of our waste is assurred of good prices as it is the raw material for the Spun Silk Mills, which are already establishmad in Mysore. This furtner reduces the cost of production.

10. There is ready market for the whole production of the filature. In fact, the demand for high grade silk in all parts of India is so great that it is not possible at present to meet it with Indian produce. About 2 million pounds of high grade Filature Silk have perfoced to be imported. The market is therefore guaranteed, not merely for the present unit, but also for many more filatures.

11. The World events particularly

in the Far East indicate the opportune moment for the establishment and success of this industry.

12. As noted in the Government Order, the immediate transfer of the Government Filature to the Company will enable it to begin work at once.

ESTIMATED CAPITAL COST.

13. It is estimated that the Factory complete with all its equipment and all necessary buildings, preliminary expenses and underwriting commission will cost approximately Rs.2,00,000/-, leaving the balance for working capital.

ESTIMATED PROFITS.

14. The current market rates of Japan and Kashmir Filature Silk is between Rs.6-10-0 and Rs.7-0-0, while the average for the year might be taken to be about Rs.6-4-0 to Rs.6-8-0. The net ~~profit~~ cost of production per pound of our silk is not expected to go beyond Rs.6-8-0 to Rs.6-10-0. On the total production of 75,000 pounds per year, the net profit of the Company will, therefore, amount to about Rs.48,000/-, which works out to be about 15 per cent on the paid-up capital, after providing for depreciation and expenses of management, etc., When further units are added on, the yield will naturally be much higher.

15. The Company has been fotunate in securing the services of Mr. N. Rama Rao as Chairman. As Superintendent of Sericulture in Mysore for over 10 years and since then as Development Secretary to Government and Director of Industries and Commerce, he was closely connected with the Sericulture Industry and took a prominent part in successfully urging the cause for protection of Indian Silk in the Tariff Board. His alround knowledge of the subject will make his services a vaulable asset in starting and developing the Filature Industry on sound lines.

16. Mr. N. G. Naik, the principal partner of the Managing Agents firm, Messrs. Naik & Co., comes from a family connected for the last three generations with this industry and has himself the experience of silk trade in all its branches for the last 25 years. He has been successfully working for the last 10 years in Bangalore City one of the biggest Silk Throwing and Weaving Factories in India, Shri Rama Silk Throwing Factory. He has built up connections all over India for the sale of silk products. He visited Japan last year and has made a special study of the new methods of working filatures and allied industries. Thus the management is in competent hands.

17. It is a distinct advantage that no promotion money is claimed nor will that be paid.

18. The minimum subscription on which

the Directors may proceed to allotment is 2,500 Shares of the face value of Rs.25,000/-. This has been already subscribed and the Company will go into allotment immediately.

19. AGREEMENTS.

1. The Articles of Association provide for the Managing Agents. The following agreements will be entered into with the Managing Agents on behalf of the Company. The agreement made between the Company of the one part and Messrs. Naik & Co., on the other part whereby it has been provided, that Messrs. Naik & Co., or the successors or the assigns in business shall be the Managing Agents of the Company from the date of the registration.

2. The remuneration of the Managing Agents under this Agreement is fixed at (a) an allowance of Rs.500/- per month and (b) a commission on net profits as therein defined on the paid-up capital;

(1) When the profits are from 6% to 10%, they will draw a commission of 10%.

(2) Above 10 per cent they will draw a commission of 12½%.

(3) Unless the Company makes a net profit of 6% on the paid-up capital the Managing Agents draw no commission.

3. An agreement will be entered into with Mr. N. Rama Rao appointing him as Chairman and consultant for a term of five years on

terms set forth therein.

20. DIRECTORS QUALIFICATION.

1. The qualification of a Director other than Government Directors shall be the holding in his own right a minimum of 250 Shares of the nominal value of Rs.2,500/-. The sitting fees of the Directors shall be Rs.20/- and Rs.10/- each for every meeting of the Board and Sub-Committee attended by them respectively. Travelling expenses shall be paid for the mofussil Directors.

21. The Articles of Association provide that the number of Directors shall not be less than 5 and not more than eleven, including the two Ex-Officio Directors and Chairman, who by the terms of the above agreements are authorise to be represented on the Board of Directors and are not liable to be retired by rotation.

22. Except the Ex-Officio Directors and the Chairman, the other Directors have no interest in the promotion of the Company. The Special Directors Mr. N. G. Naik and the Chairman, Mr. N. Rama Rao, are interested in the promotion to the extent set forth in the agreement.

23. Preliminary expenses, incidental to the formation of the Company, are estimated at Rs.7,500/-, exclusive of brokerage and underwriting commission and shall be paid by the Company.

24. VOTING RIGHTS.

On the show of hands, every member

present shall have one vote. Upon a poll, every member present in person or proxy, shall have one vote in respect of every share held by him in the Company, three months previous to the General Meeting up to ten Shares, and one vote for every additional five Shares up to one Hundred Shares and above one Hundred one vote for every additional ten Shares.

25. Application for Shares should be made upon the for accompanying this Prospectus and forwarded direct to one of the Company's Bankers together with the remittance of the application money. This issue of Shares is subject to the condition that the Certificate of the Shares may not be completed and ready for delivery until four months after the allotment of the Shares.

26, Where no allotment is made, the deposit money will be returned in full, and where the number alloted is less than the number applied for, the balance of deposit will be credited towards the amount payable on allotment.

27. Failure to pay any future instalments on Shares when due will render the Shares liable to forfeiture.

28. The Memorandum of Association form part of this Prospectus and is included in the folder. Copies of Articles of Association and the Agreements referred to above can be inspected at any time during t

business hours at the Office of the Company and the Bankers.

29. Copies of the Prospectus and forms of application can be obtained from the Company's Bankers or at the Office of the Company.

ESTIMATE FOR A FILATURE OF 200 BASINS.

I. MACHINERY.--				
1. 200 reeling basins (without cooking basisn) porcelain in wood work covered with brass plate with standard size reels, jetteboutte etc., or Button system @ Rs.200/- per basin.	..	40,000	0	0
2. Modern combined cooking machinery to handle 4,000 lbs. of coooons a day. Complete with fittings - Linear or vertical type	..	7,000	0	0
3. Cocoon stifling machinery for the above	..	5,000	0	0
4. Boiler	..	4,000	0	0
5. Steam connections and erection	..	4,000	0	0
6. Well, water tank and pump etc.	..	5,000	0	0
7. Motors and electric fittings 20 H.P.	..	3,000	0	0
8. Scientific appliances etc.	..	3,000	0	0
9. Workshop machinery	..	2,500	0	0
10. Miscellaneous, such as, tubs, pusn carts for carrying tubs of cocoons etc.	..	2,000	0	0
11. Extra reels 200 @ Rs.5/- each	..	1,000	0	0
12. Furniture and dead stock	..	5,000	0	0
13. Unforeseen charges--Lumpsum	..	5,000	0	0
14. Lorries	..	8,000	0	0
15. Contingent charges	..	5,000	0	0
Total	..	1,00,000	0	0
II BUILDINGS:--				
1. a) Building for reeling - 2 sheds - 25' x 140' 7,000 Sq. ft. sides 15' high, fly roof, cement concrete floor with pipes, drains, etc., each @ Rs.3/- per Sq. ft. (Asbestos sheet covering)	..	21,000	0	0
b) Land for Factory -- 10 acres @ Rs.250/- per acre	..	1,500	0	0
2. Two buildings for cooking department and stifling each (50' x 30') - 15' high on sides, cement and concrete flooring - with drains etc., @ Rs.3/- per Sq.ft. on 3,000 Sq. ft.	..	9,000	0	0
3. Cocoon stores sheds 2 -- with racks, etc., 120' x 25' - 6,000 Sq. ft. sides 15' with cement concrete fitted with racks and rat proof arrangement @ Rs.4/- per Sq. ft.	..	10,000	0	0
C.F.	..	41,500	0	0

	B.F. Rs.			41,500	0 0
4. Examination and skeining rooms 2 - 30' x 20' - 600 x 2 - 1,200 Sq.ft.	2,800 S.ft. @ Rs.3/- per S.ft.	..		6,000	0 0
5. Office rooms 2 - 30' x 20' - 600 Sq. ft. 600 x 2 --1,200 Sq.ft.					
6. Assistant's room 400 Sq. ft.		..			
7. Labourer's luch shed		..		2,500	0 0
8. Silk Stores, etc., 30' x 20' = 600 Sq.ft. @ Rs.3/-		..		2,000	0 0
9. Watchamen's quarters - 2 @ Rs.500/- each		..		1,000	0 0
10. Fencing compound--lumpsum		..		3,000	0 0
11. Director's quarters		..		6,000	0 0
12. Latrines etc.		..		3,000	0 0
13. Unforeseen expenditure (including drainages)		..		10,000	0 0
Lumsum for buildings etc.		..		75,000	0 0

III. WORKING CHARGES.--

A. Staff.--

a) Expert Rs.200-20-400	..	300	0	0		
b) Assistant Expert	..	150	0	0		
c) 10 Reeling Overseers 20-1-25	..	250	0	0		
d) 2 Reeling Supervisors-60 each	..	120	0	0		
e) 2 Cooking Experts-75-5-100	..	170	0	0		
f) 4 Cooking Assistants-25-5-40	..	160	0	0		
g) 16 Cookers and helpers @ Rs10/-	..	160	0	0		
h) 20 Skein Examiners @ Rs.10/-	..	200	0	0		
i) Examining Assistants 2 for seriplane and other tests @ Rs.35-3-50.	..	85	0	0		
j) 8 Skein Makers @ Rs.10/-	..	80	0	0	Rs.1700 0 0 x 12.	
					Rs.20,400 0 0	

B LABOUR.--

1) 220 Reelers @ Rs.9/- per mensum	1,980	0	0			
2) 100 Helpers @ Rs.8/- do	800	00				
3) 40 Knotters @ Rs.6/- do	240	0	0			
	3,020	0	0	x 12..	36,240	0 0
4. Boiler men 2 @ Rs.30/- do					720	0 0
5. 2 Mechanics @ Rs.35/- and 25/-					720	0 0
6. Fuel and Cocoon coolies- 16 @ Rs.12/- each					2,300	0 0
					39,980	0 0 or
					Rs.40,000	0 0

IV. MANUFACTURING CHARGES.--

Cocoon (Rendita 15 to 1 production per basin 1.25 lbs. (20/24 denier - 1.25 x 15 Rendita) x 300 No. of working days per year) x 200 basins @ Rs.05-0 per lb.		3,51,500	0 0
2. Transport charges @ ~~2xpixexxpexxxbxxx~~ 1pie per lb.	..	6,000	0 0
3. Stifling charges @ 1/ 2 pie per lb.	..	3,000	0 0
4. Working cost:--			
Factory staff .. 21,600 0 0			
Labour .. 40,000 0 0	..	61,000	0 0
5. Electric power	..	1,000	0 0
6. Fuel @ 2 tons per day @ Rs.8/- per ton for 300 days.	..	4,800	0 0
7. Repairs etd., @ 2½% on Rs.80,000/- for machinery	..	2,000	0 0
8. Repairs to buildings @ 1% on Rs.70,000/-	..	700	0 0
9. Contingencies	..	2,000	0 0
10. Office Establishment.--			
1. Accountant @ Rs.80/- per mensem 960/-			
2. Cashier @ Rs.60/- per mensem 720/-			
3. 3 Clerks at 50/-, 30/-, 25/- 1,260/-			
4. Typist @ Rs.40/- per mensem 480/-			
5. 1 Store keepers @ Rs.50/- 600/-			
6. 2 Store Assistants @ Rs.30/- and Rs.20/- 600/-			
7. 2 Peons and 2 watchman 50/- 600/-	..	5,220	0 0
11. Managing Agency allowance	..	6,000	0 0
12. Consultant's fees	..	2,400	0 0
13. Directors' sitting fee & meeting expenses	..	6,000	0 0
14. Depreciation on machinery @ 7½% on Rs.80,000/-	..	6,000	0 0
15. Depreciation on buildings @ 2½%	..	1,750	0 0
16. Depreciation on Lorries @ 25%	..	2,000	0 0
Total	..	4,61,370	0 0

V. RECEIPTS.--

1) 75,000 lbs. of 20/24 denier silk @ Rs.6-4-0 per lb.	4,68,750	
2) 50,000 lbs of silk waste @ as.14 per lb.	43,750	
Total..	5,12,500	
Total receipts	..	Rs.5,12,500 0
Manufacturing charges	..	4,61,370 0
Profits.	..	49,130 0

On a capital of Rs.3,00,000/- profits will be Rs.49,130/- about 16%.

CAPITAL REQUIRED.

1. Machinery	....	Rs.	1,00,000	0	0
2. Buildings	....		75,000	0	0
3. Working capital	....		1,25,000	0	0
Total	....	Rs.	3,00,000	0	0

RECEIVED IN DAY

90

SCHEDULE.

THIS AGREEMENT OF MANAGING AGENCY made and entered into this day of 1937, between THE MYSORE SILK FILATURES, LIMITED, a Company Registered under the Mysore Companies Regulation VIII of 1917 and having its Registered Office at Bangalore City, (hereinafter called fo. the sake of brevity "The Filatures, Limited") of the one part and "The Naik & Company" (a firm consisting of the following partners: Messrs. N. G. Naik, D. N. Shalgar, G. Krishnaswamy and hereinafter called for the brevity "The Naik & Co.," of the other part:--

WHEREAS it is provided in the Articles of Association of the Filatures, Ltd., that the Naik & Co., shall act as the Managing Agents of the said Filatures, Ltd., and the Directors of the Filatures, Ltd., have been authorised by their Articles to enter into this Agreement of Managing Agency on behalf of their Company, and to execute or cause to be executed in that behalf this contract of Managing Agency. Now these presents witness as mutually agreed by and between the parties hereto (and their respective successors or assigns wherever the context admits it), as follows:--

1. The Naik & Co., shall be the Managing Agents of the Filatures, Ltd., for a period of twenty years certain from this date and this contract of Managing Agency is not

liable to be cancelled on any ground o. any re ason whatever save and except upon the grounds of fraud or misconduct in the discharge of their duties as such Managing Agents, or breach of conditions of this Agreement.

2. The remuneration of the Naik & Co., as such Managing Agents shall be:

(a) an allowance of Rs.500/- a month; and

(b) a commission on the following basis:

(1) 10 per cent of the net profits when the Filatures, Ltd., have earned a net profit of 6 per cent and above up to and including 10 per cent on the paid-up capital;

(2) 12½% of the net profits when the Filatures, Ltd., earned a net profit of over 10 per cent on the paid up capital;

(3) nil--till such time as the Filatures, Ltd., do not earn a net profit of 6 per cent on the paid-up capital;

(4) for the purposes of calculation of the net profits of the Filatures, Ltd., all expenses, deductions, allowances, etc., chargeable against profits shall be deducted but no deduction shall be made in respect of any amount carried to the various accounts referred to in Article 134 of the Articles of Association nor shall any deduction be made for expenditure on capital account; and further the commission to be paid on the basis of net profits shall not be deducted from the net profits for the purposes of calculation of the commission payable to the Managing Agents.

(c) The allowance and commission respectively provided for in sub-clauses (a) and (b) of this clause shall be exclusive of and shall not include any remuneration, salary or wages paid or payable to the Bankers, Solicitors, Legal Advisers, Engineers, Commission Agents, Dealers, Clerks, Brokers or other Officers or employees, employed for and on behalf of the Filatures, Ltd., or for stationery or any other expenses whatsoever, all of which shall be borne and paid by the Filatures, Ltd.

Provided, however, that as soon as the Filatures, Ltd., begin extending its activities by adding further units, either at the present place or elsewhere, Messrs. Naik & Co., shall be paid a further monthly allowance at the rate of Rs.200/- for every unit of 200 basins added, subject to a maximum of Rs.1,000/- per month and provided also that if the Filatures, Ltd., shall at any time hereafter undertake or carry on any business other than that of manufacture and sale and generally the business connected with the Filatures, Ltd., Messrs. Naik & Co., shall be paid such further remuneration as may be agreed upon between the Filatures, Ltd., and the Naik & Co.,

3. (a) Subject to the control and direction of the Directors of the Filatures, Ltd., and conformably to the Memorandum and the Articles of Association, the Naik & Co., shall have the general conduct and management of the business and affairs of the Filatures, Ltd., except in matters, which are specifically reserved to be done by the Board of Directors.

4. The Naik & Company shall be responsible for all the property, books of accounts, papers, documents and effects belonging to the said Filatures, Ltd., wheresoever ~~xkk~~ situate.

5. The Naik & Company shall keep or cause to be kept a true, proper and complete account of all the dealings and working of the Filatures, Ltd., maintain proper books

of accounts as required under the Companies Regulation and such other books of account or otherwise as required or directed by the Board of Directors of the Filatures, Ltd., and submit from time to time reports of all dealings and transactions relating to the said Filatures, Ltd., to the Board of Directors of the said Filatures, Ltd., and as directed by it and also to submit and file in time with the Registrar of Joint Stock Companies all returns, reports, etc., required/~~to~~ to be submitted or filed under the Companies Regulation and shall do all such acts as required by the Companies Regulation, the Articles of Association or by the directions of the Board of Directors.

6. The Naik & Co., shall be at liberty to recoup from out of the funds of the Filatures, Ltd., all moneys expended by it or any of its members for the formation of the Filatures, Ltd., and incidental thereto inclusive of all charges which can come under the category of preliminary charges and expenses of formation of the Company, viz., Filatures, Ltd.

7. The Naik & Co., shall be entitled to be represented on the Board of Directors of the Filatures, Ltd., by two Directors.

8. The Naik & Co., shall not without the previous approval of the Shareholders of the Filatures, Ltd., by a Resolution at a General Meeting, effect any change in its membership, so as to impose on the Filatures, Ltd, a Managing agency different from the one now constituted.

9. In the event of the transfer of the

entire business of the Filatures, Ltd., the Naik & Co., shall be entitled to a compensation for the unexpired period of its Managing Agency, being an amount equal to one-fourth of the total amount of commission for the unexpired period, calculated on the basis of the average net profits of three years previous to the year of transfer.

In witness whereof the Common Seal of The Mysore Silk Filatures, Ltd., is affixed hereunto and the hands of the two Directors of the Mysore Silk Filatures, Ltd., pursuant to the resolution of its Board of Directors dated and the hands of the partners of the Naik & Co., are also hereinafter affixed this day and the year here above written.

Proceedings of the Govt. of His Highness
the Maharaja of Mysore.

Read :-

Correspondence ending with letter No.D.4.292-36 dated 15th September 1937 from the Director of Industries and Commerce communicating the resolution passed by the Board of Sericulture regarding the assistance to be given by Government to people who wish to start and work filatures, and submitting his proposals in the matter.

Order No. D 4057-66/ Ser 86-36-5

Dated, Bangalore, 30th Nov 1937.

Sericulture has for a long time been practised as an important subsidiary industry in the State and has been an object of Government's special solicitude. As has been observed by the Board of Sericulture the prosperity of this industry must ultimately depend on the conversion of the cocoons produced by rearers into high grade silk in modern filatures and there is scope in the State for establishment of a number of filatures.

Mr.Narayana Rao Naik, a prominent Silk Merchant of Bangalore, has submitted to Govt. a scheme prepared in consultation with Mr. N.Rama Rao, Retd. Director of Industries and Commerce who has been closely associated with Mysore Sericulture for over 15 years. The scheme comprises the promotion of a Joint Stock Company for establishing a filature of 200 basins at T.Narasipur in the first instance and following this up in due course with similar units at other centres in the

the T.Narasipur, Nanjangud, Malavalli and Yelandur Taluks. The promoters state that it is an essential part of their project to improve the quality of cocoons produced in that area by adopting a comprehensive programme which includes production of good silk-worm seed, and the creation of facilities required by rearers; and for the effective working out of that programme they seek the close co-operation of the Sericultural Department. Government consider the scheme a well conceived one holding promise of success and therefore deserving of their support. They are accordingly pleased to offer the following concessions and facilities to the proposed company:-

(i) Government will subscribe for shares in the Company of the value of Rs.15,000/-

(ii) Govt. will give the Company free of charge about 10 acres of land for the construction of a factory and other buildings if the land selected for the purpose is at the disposal of the Government. In the event of private land having to be acquired for the factory site, the cost of acquisition will be borne by the Company and the "Conversion Fine" in respect of that portion of the land which is used for the factory and other buildings will be waived.

(iii) Permission will be given to utilise water from the Cauvery for the use of the filature free of charge. The actual arrangements proposed for taking water will be subject to the approval of the P.W.D. The Company will also arrange for the proper disposal of the effluent water of the factory in accordance with the instructions of the Department of

health.

(iv) Electric power will be made available at rates applicable to large industrial concerns when power becomes available at T. Nrasipur.

(v) The machinery and equipment of the Govt. Filature at Mysore including domestic basins will be transferred to the Company at a valuation based on the present market value of such ~~ma~~ basins and machinery, with reasonable deductions for depreciation ; and the price so fixed will be adjusted towards the value of the share to be subscribed for by Government.

This transfer will be subject to the condition that the Company will guarantee the supply to the Govt.Silk Factory at Mysore of all the raw silk required by it, at a price determined according to a formula agreed upon between the Company and the Government. Government will purchase all the raw silk required for the Silk Factory and other Government concerns from the Company. This arrangement will be in force for 2 years in the first instance.

provided the quality & price are satisfactory

(vi) Government will be prepared to lend the Company the services of one or more departmental officers on the usual terms regarding payment of salary, pensionary and leave contributions.

(vii) The promoters request that arrangements may be made for the systematic testing of ~~the~~ silk produced in the Filature and the granting of certificates of quality. Pending the establishment of a standard conditioning Hou the Sericultural Department will conduct al

all tests possible with existing facilties and equipment and issue of certificates of the results free of charges.

(viii) Government trust that the Company will due course extend its activities and establish more filatures at other suitable centres in the Sericultural area which it has selected for its operations. So long as the Government are satisfied with the progress made by the Company in this respect they do not propose to give similar concessions in this area to any other concern.

Since the success of the filature is bound up with the prosperity of the Sericultural industry as a whole, Government consider that close cooperation is necessary between the Company and the Sericultural Department; and in order to ensure this cooperation, Govt. consider it necessary to have a Director on the Board of the Company. They will also provide for an audit of the accounts of the Company at their cost whenever they think fit. The Promoters have accepted this arrangement.

Government trust that the Company will be formed without delay and that it will begin active operations within a year.

Secretary to Government,
Development Department.

To

The Director of Industries and Commerce
The Director of Sandal Oil Factory
The Deputy Commissioner, Mysore Dt.
The Revenue Commissioner in Mysore.
The Chief Electrical Engineer in Mysore.
The Chief Engineer of Mysore.
The Director of Public Health in Mysore.
The Comptroller to Govt.through Fl.Deptt.

PROCEEDINGS OF THE GOVERNMENT OF HIS HIGHNESS
THE MAHARAJA OF MYSORE.

99

READ:

Correspondence ending with letter No.D4-292-36 dated the 15th September 1937, from the Director of Industries and Commerce, communicating the resolution passed by the Board of Sericulture regarding the assistance to be given by Government to people who wish to start work and filatures, and submitting his proposals in the matter.

ORDER NO:D.4059-66/Seri.86-36-5

Dated, Bangalore, the 30th November 1937.

Sericulture has for a long time been practised as an important subsidiary industry in the State and has been an object of Government's special solicitude. As has been observed by the Board of Sericulture, the prosperity of this industry must ultimately depend on the conversion of the Cocoons produced by rearers into high grade silk in modern filatures and there is scope in the State for establishment of a number of filatures.

Mr.Narayana Rao Naik, a prominent Silk Merchant of Bangalore, has submitted to Government a scheme prepared in consultation with Mr.N.Rama Rao, Retired Director of Industries and Commerce who has been closely associated with Mysore Sericulture for over 15 years. The scheme comprises the promotion of a Joint Stock Company for establishment a filature of 200 basins at T.Narasipur in the first instance and following this up in due course with similar units at other centres in the T.Narasipur, Nanjangud, Malavalli and Yelandur Taluks. The promoters state that it is an essential part of their project to improve the quality of cocoons produced in that area by adopting a comprehensive programme which includes production of good silk-worm seed, and the creation of facilities required by rearers: and for the effective working out of that programme, they seek the close co-operation of the Sericultural Department

100

Government consider the scheme a well conceived one holding promise of success and therefore deserving of their support. They are accordingly pleased to offer the following concessions and facilities to the proposed company:-

(i) Government will subscribe for shares in the Company of the value of Rs.15,000/-;

(ii) Government will give the Company free of charge about 10 acres of land for the construction of a factory and other buildings if the land selected for the purpose is at the disposal of the Government. In the event of private land having to be acquired for the factory site, the cost of acquisition will be borne by the company and the "Conversion Fine" in respect of that portion of the land which is used for the factory and other buildings will be waived;

(iii) Permission will be given to utilise water from the Cauvery for the use of the filature free of charge. The actual arrangements proposed for taking water will be subject to the approval of the Public Works Department. The Company will also arrange for the proper disposal of the effluent water of the factory in accordance with the instructions of the Department of Health;

(iv) Electric power ~~xhxxx~~ will be made available at rates applicable to large industrial concerns when power becomes available at T.Narasipur;

(v) The machinery and equipment of the Government Filature at Mysore including domestic basins will be transferred to the Company at a valuation based on the present market value of such basins and machinery, with reasonable deductions for depreciation; and the price so fixed will be adjusted towards the value of the share to be subscribed for by Government;

This transfer will be subject to the condition that the Company will guarantee the supply to the Government Silk Factory at Mysore of all the raw silk required by it, at a price determined according to a formula agreed upon between the Company and the Government. Government will purchase all the raw silk required for the Silk Factory and other Government concerns from the Company provided the quality and price are satisfactory. This arrangement will be in force for 2 years in the first instance.

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(vii) The promoters request that arrangements may be made for the systematic testing of silk produced in the Filature and the granting of certificates of quality. Pending the establishment of a standard conditioning House, the Sericultural Department will conduct all tests possible with existing facilities and equipment and issue of certificates of the results free of charges;

(viii) Government trust that the Company will in due course extend its activities and establish more filatures at other suitable centres in the Sericultural area which it has selected for its operations. So long as the Government are satisfied with the progress made by the Company in this respect they do not propose to give similar concessions in this area to any other concern.

Since the success of the filature is bound up with the prosperity of the Sericultural industry as a whole, Government consider that close co-operation is necessary between the Compan and the Sericultural Department; and in order to ensure this co-operation, Government consider it necessary to have a Director on the Board of the Company. They will also provide for an audi of the accounts of the Company at their cost whenever they think fit. The promoters have accepted this arrangement.

Government trust that the Company will be formed without delay and that it will begin active operations within a year.

For Secretary to Government,
Development Department.

To

The Director of Industries and Commerce in Mysore.
" Director of Sandal Oil Factory in Mysore.
" Deputy Commissioner, Mysore District.
" Revenue Commissioner in Mysore.
" Chief Electrical Engineer in Mysore.
" Director of Public Health in Mysore.
" Chief Engineer of Mysore.
" Comptroller to Government through Financial Secretariat

S.R.10

App. F. VI, G. 10

Government of His Highness the Maharaja of Mysore.

GENERAL AND REVENUE DEPARTMENTS

G. O. No. D.4059-66 Seri. 86-36-5 DATED 30th Nov. 1938.

May this be

i. printed ? yes.
ii. treated as a standing order ? no
iii. published in the Gazette, English Part ? yes.
iv. translated ? yes
v. placed at the disposal of the Press ? yes.
vi. published in the Gazette, Kannada Part ? yes.

16/3/39

Silk Filatures in the State

Passes orders re promotion of a joint-stock co. for establishing.

Government of His Highness the Maharaja of Mysore.

GENERAL AND REVENUE DEPARTMENTS.

G. O. No. D. 4059-66—Seri. 86-36-5, dated 30th November 1937.

Silk Filatures in the State.

Passes orders *re* promotion of a Joint Stock Company for establishing ——.

READ—

Correspondence ending with letter No. D4-292-36, dated the 15th September 1937, from the Director of Industries and Commerce, communicating the resolution passed by the Board of Sericulture regarding the assistance to be given by Government to people who wish to start and work filatures, and submitting his proposals in the matter.

ORDER No. D. 4059-66—SERI. 86-36-5, DATED BANGALORE, THE 30TH NOVEMBER 1937.

Sericulture has for a long time been practised as an important subsidiary industry in the State and has been an object of Government's special solicitude. As has been observed by the Board of Sericulture, the prosperity of this industry must ultimately depend on the conversion of the cocoons produced by rearers into high grade silk in modern filatures and there is scope in the State for establishment of a number of filatures.

2. Mr. Narayana Rao Naik, a prominent Silk Merchant of Bangalore, has submitted to Government a scheme prepared in consultation with Mr. N. Rama Rao, Retired Director of Industries and Commerce who has been closely associated with Mysore Sericulture for over 15 years. The scheme comprises the promotion of a Joint Stock Company for establishing a filature of 200 basins at T.-Narsipur in the first instance and following this up in due course with similar units at other centres in the T.-Narsipur, Nanjangud, Malvalli and Yelandur Taluks. The promoters state that it is an essential part of their project to improve the quality of cocoons produced in that area by adopting a comprehensive programme which includes production of good silk-worm seed, and the creation of facilities required by rearers; and for the effective working out of that programme, they seek the close co-operation of the Sericultural Department. Government consider the scheme a well conceived one holding promise of success and therefore deserving of their support. They are accordingly pleased to offer the following concessions and facilities to the proposed company:—

(i) Government will subscribe for shares in the Company of the value of Rs. 15,000;

(ii) Government will give the Company free of charge about 10 acres of land for the construction of a factory and other buildings if the land selected for the purpose is at the disposal of the Government. In the event of private land having to be acquired for the factory site, the cost of acquisition will be borne by the Company and the "Conversion Fine" in respect of that portion of the land which is used for the factory and other buildings will be waived;

(iii) Permission will be given to utilise water from the Cauvery for the use of the filature free of charge. The actual arrangements proposed for taking water will be subject to the approval of the Public Works Department. The Company will also arrange for the proper disposal of the effluent water of the factory in accordance with the instructions of the Department of Health;

(iv) Electric power will be made available at rates applicable to large industrial concerns when power becomes available at T.-Narsipur;

(v) The machinery and equipment of the Government Filature at Mysore including domestic basins will be transferred to the Company at a valuation based on the present market value of such basins and machinery, with reasonable deductions for depreciation; and the price so fixed will be adjusted towards the value of the share to be subscribed for by Government;

This transfer will be subject to the condition that the Company will guarantee the supply to the Government Silk Factory at Mysore of all the raw silk required by it, at a price determined according to a formula agreed upon between the Company and the Government. Government will purchase all the raw silk required for the Silk Factory and other Government concerns from the Company provided the quality and price are satisfactory. This arrangement will be in force for two years in the first instance.

(vi) Government will be prepared to lend the Company the services of one or more departmental officers on the usual terms regarding payment of salary, pensionary and leave contributions;

(vii) The promoters request that arrangements may be made for the systematic testing of silk produced in the Filature and the granting of certificates of quality. Pending the establishment of a standard conditioning House, the Sericultural Department will conduct all tests possible with existing facilities and equipment and issue of certificates of the results free of charges.

(viii) Government trust that the Company will in due course extend its activities and establish more filatures at other suitable centres in the Sericultural area which it has selected for its operations. So long as the Government are satisfied with the progress made by the Company in this respect they do not propose to give similar concessions in this area to any other concern.

3. Since the success of the filature is bound up with the prosperity of the Sericultural industry as a whole, Government consider that close co-operation is necessary between the Company and the Sericultural Department; and in order to ensure this co-operation, Government consider it necessary to have a Director on the Board of the Company. They will also provide for an audit of the accounts of the Company at their cost whenever they think fit. The promoters have accepted this arrangement.

4. Government trust that the Company will be formed without delay and that it will begin active operations within a year.

M. VENKATANARANAPPA,
Secretary to Government,
Development Department.

To—The Director of Industries and Commerce in Mysore.
The Director of Sandal Oil Factory.
The Deputy Commissioner of Mysore District.
The Revenue Commissioner in Mysore.
The Chief Electrical Engineer in Mysore.
The Chief Engineer of Mysore.
The Director of Public Health in Mysore.
The Comptroller to Government through the Financial Secretariat.

Exd.—S G R

WD 977—GPB—150—1210-37

Seri 86-36-5A

TEL. 'SRIRAMSILK' BANGALORE CITY

Phone 2234

15349

Shri Rama Silk Throwing Factory

105

PROPRIETORS:
NARASINGA SHALGAR
&
NARAYAN NAIK CO.

SHRI-RAM-BAGH
P. O. BASAVANGUDI
BANGALORE CITY

3rd DEc., 1937.

DEVELOPMENT SECRETARY TO GOVERNMENT OF MYSORE.

3021

4 DEC. 1937

The Secretary,
to The Government of His Highness the Maharaja of Mysore,
Development Department,
B A N G A L O R E.

Sir,

I am in due receipt of the Government Order NO. - D.4059-66/Seri. 86-36-5, dated 30th November, 1937, and I am thankful to the Government for the same.

The work of formation of the Filatures Company, is being rapidly proceeded with; and we hope to register the same very shortly. I request that the Government may be pleased to nominate a Government Director for the Company, according to the terms of the above said Government Order, and kindly send us intimation of the same as early as - possible.

I beg to remain,
Sir,

Yours faithfully,

N. Narain
- P. —

Phone 2234

TEL. 'SRIRAMSILK' BANGALORE CITY

Seri 86-36-7 106

Shri Rama Silk Throwing Factory

PROPRIETORS:
NARASINGASA SHALGAR
&
NARAYAN NAIK CO.

SHRI-RAM-BAGH
P. O. BASAVANGUDI
BANGALORE CITY

Seri
NW. 8.12.37.

8th Dec., 1937.

DEPT. OF AGRI. & REV. BANGALORE
3133
9 DEC. 1937
GOVERNMENT OF INDIA

The Secretary
to the Government of His Highness The Maharaja of Mysore,
Development Department,
Bangalore.

Sir,

With reference to the Government Order NO.D4059/66/Seri. 86-36-5 dated 30th November, 1937, I beg to bring to your notice, the fact, that Chamarajanagar has been ommitted - from the list of Taluks specified as constituting our - Sericultural area. In the scheme that we laid before the Government, we included the above mentioned Taluk also. I therefore request that the Government may be pleased to include the name of Chamarajanagar Taluk also, in the - sericultural area specified for us.

I beg to remain,

Sir,

Yours faithfully,

N. Narain

The Mysore Silk Filatures, Limited

(INFORMATION)

107

3381

NAIK & CO.
MANAGING AGENTS

"SHRI-RAM-BAGH"
P. O., BASAVANGUDI
BANGALORE

Ref. No.....

DEVELOPMENT BRANCH
27 DEC 1937

21st December, 1937.

The Secretary,
to Government of His Highness the Maharaja of Mysore,
Development Department,
BANGALORE.

Dear Sir,

We beg to intimate to you that all the necessary papers required for Registration of the Mysore Silk Filatures, Ltd., have been duly filed before the Registrar of Joint Stock Companies, and the Company registered, and certificate of incorporation obtained on 20-12-1937. We request that the Government may be pleased to nominate a Government Director to the Board and his name intimated to us early so that the Prospectus may be filed and issued to the public without any delay.

Yours faithfully,
For The Mysore Silk Filatures, Ltd.,
For Messrs. Naik & Co.,

M. Naik

Appendix F G—1]

SUBJECT .....

.....

.....

Diary No. of letter replied to.....

General and Revenue Secretariat

( )

the 193 .

Date of issue..... 7-1-38

Signed by ..... M. Venkatanarayanappa

List of enclosures.....

Copied by ..... please make it all fair

Examined by..... Govt. Director office Mysore Sick Filatures Ltd

Section Seri

File No. 86-36

Serial No. 14

No. D 4738

To

Notification

Mr. H. S. Govindaraja Rao, B.A.,

Supdt. of Seri is appointed

Govt. Director on the Board

of Directors of the Mysore Silk

Filatures Ltd".

Re

Re Tamboli, R.S.

D 4739-40.

Copy to the Dir. of Comptes

Re

D. 4741

Sir

Dear Sir

I enclose herewith 1/8 a copy of

Notification No. of

re. appointment of Mr. H. S. G. Rao

as Govt. Director, which refers to your

letter of 3rd Dec. 1937.

WD 0521—GPB—30,000—12-3-37

As regards the proposal to include

Lekamanjaragan wishes list of
Horticultural crops. Where Fisheries
may be started as further put consideration that
no orders are called for now. This will be
taken up in due course.

yrs.

W.

Secy

Dr.

N. G. Nanda Esq:

Proprietor, Sri Rama Hek Thumby Factory

Bangalore.

GOVERNMENT OF HIS HIGHNESS THE MAHARAJA OF MYSORE

General and Revenue Secretariat

D.O. No. D 4741 Fn 1

Bangalore, Dated 6th January 1938.

7th 109

From

The *Secretary to the Government of His Highness the Maharaja of Mysore,*
Development Department.

To

N.G.Naik, Esq.,
Proprietor, Sri Rama Silk Throwing Factory,
Bangalore.

~~Sir~~

Dear Sir,

I enclose herewith a copy of Notification No. D 4738/ Fn 86-36-11 dated 7th January 1938 regarding appointment of Mr. H.S.Govinda Rao as Government Director of the Mysore Silk Filatures Ltd. with reference to your letter dated 3rd December 1937.

As regards the proposal to include Chamarajanagar in the list of sericultural areas where Filatures may be started in future, Government consider that no orders are called for now. This will be taken up in due course.

I have the honor to be,
Sir,
Your most obedient servant,

16-1-38

For Secretary to Government
Development Department.

Government of His Highness the Maharaja of Mysore.

General and Revenue Secretariat.

No D 4738/Ser 86-36-11 Dated Bangalore the 6th January 1938.

NOTIFICATION.

Mr. H.C.Govinda Rao, B.A., Superintendent of Sericulture, is appointed Government Director on the Board of Directors of "The Mysore Silk Filatures Ltd."

By Order,

Sd/- M.Venkatanaranappa.

Secretary to Government
Development Department.

To

The Compiler, Mysore Gazette, for publication.

c.n.12

Memo No. D 4739-40.

Copy of the above is forwarded with compliments to the Comptroller to Govt. and the Dir. of Ag.

By Order,

K Srinivasan

For Secretary to Government
Development Department.